

21 APRIL 1947

I N D E X
of
EXHIBITS

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of
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1
2 Monday, 21 April 1947
3
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- - -

5 INTERNATIONAL MILITARY TRIBUNAL
6 FOR THE FAR EAST
7 Court House of the Tribunal
8 War Ministry Building
9 Tokyo, Japan

10 The Tribunal met, pursuant to adjournment,
11 at 0930.

12 - - -

13 Appearances:

14 For the Tribunal, same as before.

15 For the Prosecution Section, same as before.

16 For the Defense Section, same as before.

17 - - -

18 (English to Japanese and Japanese
19 to English interpretation was made by the
20 Language Section, IMTFE.)
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1 MARSHAL OF THE COURT: The International
2 Military Tribunal for the Far East is now in session.

3 THE PRESIDENT: All the accused are present
4 except TOGO and HIRANUMA, who are represented by
5 counsel. The prison surgeon at Sugamo certifies they
6 are too ill to attend the trial today. The certificate
7 will be recorded and filed.

8 Major Blakeney.

9 MAJOR BLAKENEY: May I, before the resumption
10 of this witness' testimony, make a correction in the
11 record of last Friday?

12 In connection with exhibits 2460-A and 2461-A,
13 I first stated that they showed the profits of the
14 opium monopoly to amount to one per cent of the total
15 budget. It was then suggested that this figure should
16 have been ten per cent, to which I ill-advisedly agreed.

17 THE PRESIDENT: From the bench I asked you
18 if it was one per cent. You said no, ten.

19 MR. BLAKENEY: We both confused gross income
20 with profit, which is the explanation.

21 Exhibit 2460-A shows the grand total income
22 at 110,000,000 on page 1, and at the bottom of page 6,
23 grand total expenditures attributable to opium at
24 98,000,000 odd, leaving a profit of 12,000,000 odd, or,
25 roughly, one per cent of the total budget as shown by

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25 roughly, one per cent of the total budget as shown by

NAMBA

DIRECT

1 exhibit 2461-A. That was all.

2 THE PRESIDENT: Mr. Williams.

3 - - - -

4 T S U N E K A Z U N A M B A, called as a witness
5 on behalf of the defense, resumed the stand and
6 testified through Japanese interpreters as
7 follows:

8 DIRECT EXAMINATION (Continued)

9 MR. WILLIAMS: If the Tribunal please, I shall
10 continue with the reading of the affidavit of the
11 witness NAMBA, the first full paragraph on page 9.

12 "Concerning the cultivation of opium-poppy,
13 steps were put into practice that officially approved
14 land for cultivation be designated to a single region
15 as much as possible and if possible to a frontier
16 district; and cultivation in bandit zones, etc. was to
17 be prohibited as much as possible. In the beginning,
18 northeastern part of Kirin Province and Jehol Province
19 were designated, but later it came to be limited to
20 Jehol Province only. Generally speaking, Jehol Province
21 is a place where grains do not grow well. The seeds of
22 opium-poppy were distributed freely to cultivators,
23 but that was done as one of the means of the control.

24 "We were successful in decreasing poppy-growing
25 on lands not authorized by the Monopoly Office. The

NAMBA

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25 on lands not authorized by the Monopoly Office. The

NAMBA

DIRECT

1 case of unlawful growing never increased in number
2 except in 1933 and 1934 when the Monopoly Office was
3 not able to fully exert its control power. Poppy
4 has a distinct feature in that it cannot be mixed with
5 such other plants as are intended to camouflage it.

6 "For the purpose of making the selling price
7 of poppies to the government lower, there were cases
8 where taxes were decreased on lands which were used
9 for poppy-growing. But we had no intention, in doing
10 so, to encourage poppy-growing. With the progress of
11 our supervising the growing lands, we redoubled our
12 efforts in exercising a thorough-going control over
13 lands where poppies were secretly raised. In 1935-36
14 when the Japanese Army and the Manchoukuo Army fought
15 to subjugate bandits, some officials of the Monopoly
16 Office always accompanied them, and whenever a bandit
17 base was occupied by the expedition, invariably they
18 found poppies being secretly grown. We destroyed them
19 completely. A rigorous warning was despatched to
20 each local governor, and in case the secret growth of
21 poppies was discovered within his jurisdiction, he was
22 severely punished. There were cases where it led to
23 the resignation of the Governor of the Heilungkiang
24 Province or the Governor of the Lungkiang Prefecture.
25 Furthermore, purchasing agencies in poppy-growing

NAMBA

DIRECT

1 areas were gradually adjusted and we endeavored to
2 purchase all opium manufactured. But if we hurried in
3 succeeding in our work and made the control of opium
4 excessively strict, secret trade and smoking of opium
5 would come about on the other side. So we had to be
6 moderate. Otherwise, despite the appearance of being
7 improved, the truth might be behind the scenes things
8 were getting worse. This is a point on which we were
9 extraordinarily cautious.

10 "It was after 1937, I think, when as a result
11 of our effort, the opium monopoly system had become
12 firmly established and secret growing and secret trading
13 had almost disappeared from whole of Manchuria. It
14 may be said that, since we reached the stage where we
15 could operate freely and conscientiously a domestic
16 monopoly system which was firmly founded, it was high
17 time for us to deliberate systematically in how to
18 carry out the prohibition policy. Hereupon, the matter
19 as to how many years we should plan to spend in elimi-
20 nating opium-smokers and addicts posed a very difficult
21 question. If we should proceed with all speed, there
22 is the possibility of doing it in ten years. But in
23 order to accomplish it thoroughly and from the
24 specialist's point of view it will require a period
25 of thirty or fifty years. Since Manchoukuo was a new

NAMBA

LIRECT

1 state she had very lofty ideals and she decided upon
2 and published a 'policy for prohibition in ten years'
3 after she made various studies and carried out numerous
4 discussions. During such a period well-equipped
5 institutions for treatment are, first of all, needed.
6 Not only this, but the strengthening of various move-
7 ments and propaganda must be carried out vigorously
8 in order that the people may be thoroughly informed of
9 the harms of opium. And in doing so, we needed the
10 understanding and cooperation of the general public.
11 So Manchoukuo set up in each prefecture a hospital to
12 which addicts were admitted, and general propaganda
13 was carried on every year through the Concordia Asso-
14 ciation. A special directive was issued from the
15 Government that, in case a government office or civi-
16 lian company finds any addicts among its workers
17 including leaders, it must give them leave of absence
18 for a necessary term for treatment, and whoever neg-
19 lects to take such treatments must be dismissed.
20 Besides this, the Government made the regulations
21 stricter and took drastic measures to leave no room to
22 smoke opium.

23 "At the time we first embarked upon the
24 realization of monopolization, we referred to the
25 example in Formosa and estimated the number of addicts

NAMBA

DIRECT

1 in Manchoukuo at approximately one million, considering
2 it at a little more than" -- I don't know what the
3 figure is. It looks like 8 per cent. Is that 3? --
4 "3 per cent of the entire population. Of course this
5 figure will vary according to your standard of addiction
6 and the actual figure might become several times
7 larger if the number of mere smokers are included. But
8 the smokers who became the object of the monopoly
9 system, the smokers requiring medical treatment, were
10 estimated approximately, for the time being, to be
11 one million, and all preparations were made according
12 to this estimation. Opium-smokers generally take
13 opium three times a day -- in the morning, in the day-
14 time, and at night. These habitual smokers use about
15 two or three chien a day (10 chien equals 1 liang),
16 and more habitual ones smoke about ten times a day,
17 using six or seven chien daily. But the greater number
18 of smokers use only one chien or two a day. Thus it
19 is computed that, on an average, each smoker takes
20 30 liang a year. So, estimating the yearly ration
21 amount required for one million smokers to be 30 million
22 liang, we set about our work and made the fiscal budget.
23 In the early years, however, opium very often went
24 into the black market because the true meaning of
25 monopoly of opium was not understood and also because

NAMBA

DIRECT

1 cultivating farmers had never been accustomed to com-
2 pulsory sales to the Government. In order to prevent
3 cultivators from making unauthorized sales to North
4 China, measures were taken to collect and buy at a
5 higher price than there. Despite rigid Government
6 control, however, only a portion of the amount produced
7 could be bought up, and some of it would go in secret
8 to North China, while others went into the black market
9 within the country. So there were indeed several years
10 before we came to succeed in getting any fairly satis-
11 factory results. During this period the addicts had
12 to be provided with their required amount of opium.
13 In addition, if the Government had no stock equivalent
14 to the total amount required for ration, there was a
15 corresponding decrease in ration. As a result, even the
16 registered smokers would smoke secret opium. So it
17 was quite necessary for the Government to secure the
18 required amount. Such being the case, when the
19 Government was short of stock, it was compelled to
20 import through regular 'channels' from the Kwantung
21 leased territory, Korea and even from Iran in one in-
22 stance to make up for the shortage. But the imported
23 amount, as compared to the total required amount,
24 was very small. I held my post from 1933 to 1937,
25 when the registration system had not long been in

NAMBA

DIRECT

1 effect. And my observation was that it was
2 almost impossible to assume the number of
3 registered smokers to be the actual number of
4 the addicts; so I cannot definitely say that
5 they were decreasing, but I am sure that the
6 addicts were not increasing. The only excep-
7 tion was that before the enforcement of the
8 registration system there was an unusual number
9 of smokers who had not yet reached an addiction
10 stage. Such people who could not be called
11 genuine smokers, naturally did not dare register
12 and so came to find it more difficult to get opium
13 than formerly. As a result, such smokers de-
14 creased distinctively in number. In other
15 words, the registration system achieved great
16 success in the way of driving away opium from
17 the home. Indeed, some of the higher officials --
18 Councilors, Ministers, and Provincial Governors --
19 gave up opium smoking, and the habit of entertain-
20 ing guests with opium at home disappeared. In the
21 first year or two, the number of smokers who had
22 been registered by the Government was one-third of
23 that which had first been estimated, namely, less
24 than three hundred thousand to one million. This
25 was because they could not understand what the

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NAMBA

DIRECT

1 Government was driving at, and also because even
2 those smokers who were fairly advanced in poison-
3 ing had a tendency to get secret opium in some
4 way or other without registering. In addition,
5 they were planning to rely upon a considerable
6 amount of unofficial opium, which had been con-
7 cealed in the country. As the monopoly system
8 was gradually established, however, there was
9 less and less opium to be found in the country
10 and so the addicts had no alternative but to
11 apply to the registration so that they might
12 take opium. Consequently the number of
13 registered smokers increased in the first two
14 or three years. This was not an increase in the
15 actual number of smokers, but a happy tendency of
16 secret smokers learning to apply to the Govern-
17 ment. I remember that the registered smokers
18 numbered more than 590,000 at the time of en-
19 forcement of the so-called Ten-Year Program for
20 the Prohibition of Opium. This figure made it
21 possible for us to grasp how many addicts there
22 were in Manchukuo and brought us to a stage where
23 prohibition policies were to be established. As
24 far as I can remember, we estimated the possible
25 profit to be five million yuan a year when we

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23 prohibition policies were to be established. As
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25 profit to be five million yuan a year when we

20,331

NAMBA

DIRECT

1 made the first budget. But the profit proved
2 to be only about 360,000 yuan the first year
3 (1932). In the following year the profit was
4 about 1,200,000 yuan but in the fourth year, 1936,
5 it amounted to about 10,000,000 yen, as my
6 memory runs.
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NAMBO

DIRECT

1 "The Manchukuo Government managed the
2 income and expenditures of opium in a special
3 account called 'The Opium Monopoly Special Account,'
4 and on which exact figures were shown in the annual
5 budget and closing account of the Government. Even
6 small amounts of income and expenditures were
7 clearly accounted for.

8 "The above-mentioned profit is the
9 balance of the total sales of opium and the
10 expenses incurred in purchasing and transporting
11 opium and for the Monopoly Office, all of which
12 are the expenses directly necessary for the opium
13 monopoly. When the police expense for regulating
14 opium is taken from the balance, the amount of
15 profit left would become even smaller.

16 "About 10,000,000 yuan, as best I can
17 remember, was transferred to the general account
18 in 1936 but compared to the total revenue of the
19 general account it was not more than a small per
20 cent of the total.

21 "The increase in profit in opium sale
22 does not indicate an increase or decrease of opium
23 smokers. It can be attributed to the increased
24 sale in quantity and the raised selling price of
25 opium. The more complete the monopoly system

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21 "The increase in profit in opium sale
22 does not indicate an increase or decrease of opium
23 smokers. It can be attributed to the increased
24 sale in quantity and the raised selling price of
25 opium. The more complete the monopoly system

1 became and the more opium addicts registered, the
2 more the sale of opium increased. Therefore,
3 this was a favorable sign showing political suc-
4 cess in the first stage of the policy for gradually
5 diminishing opium addicts.

6 "My investigation on the statistics on
7 Formosa shows that the registration number of
8 opium addicts suddenly increased in the first
9 several years, but it gradually decreased after
10 the whole absolute numbers of opium addicts
11 neared the number registered. According to our
12 estimate, it was expected that their numbers
13 might reach the highest in 1937 or '38 in Man-
14 chukuo and sure enough, such a tendency was
15 shown in 1937, the year I left office.

16 "The increase in revenue had other
17 important causes. One is that the unit price of
18 opium was raised. In the earlier days of the
19 governmental opium monopoly, the Government
20 raised the buying price of opium as a preventa-
21 tive of its going into the blackmarket and dis-
22 tributed it to the registered opium smokers at a
23 comparatively cheap price. Later, as the opium
24 monopoly became thorough, the Government raised
25 the price of opium by degrees. The other is the

NAMBA

DIRECT

1 abolition of the wholesale dealer system and
2 the new opium selling system. Regarding the
3 abolition of the former, I have already explained.
4 As for the raw opium selling system: According
5 to the Government policy formerly pursued, the
6 Government supplied raw opium and had retailers
7 make prepared opium and had it distributed to the
8 registered smokers. It was, however, reformed in
9 1936 and transferred to the government. According
10 to this, prepared opium came to be manufactured in
11 a government factory established in Mukden to be
12 distributed to the registered smokers. When raw
13 opium and prepared opium are compared, the latter
14 becomes higher in price by several per cent and
15 thus so much of the government's direct revenue
16 increased. Needless to say, it was not for the
17 purpose of increasing the revenue that the Govern-
18 ment abolished these two systems. The wholesale
19 dealer system was abolished to prevent middlemen
20 from illicitly disposing of opium. The prepared
21 opium system was introduced by the government to
22 remove such evils as follows: There was a tendency
23 in prepared opium manufacturing to mix opium ashes
24 or other various impurities with raw opium and to
25 sell such inferior manufactures to the registered

1 smokers. And also a tendency to use the rationed
2 raw opium as a base for narcotics.

3 "With regard to the control of narcotics,
4 the Manchukuo Government had adopted a policy of
5 rigid control and suppression since the beginning.
6 As the first step, the manufacturing of narcotics
7 was absolutely prohibited in 1932 by order of the
8 Civil Administrative Department. Whenever the
9 control over secret traffic of opium was exer-
10 cised, the prohibitions of secret traffic of
11 narcotics was also put into force. At this time
12 of opium control movement in 1935, the amount of
13 narcotics confiscated was comparatively larger,
14 as I remember. In 1937 the year the Government
15 launched rigid control on the use of opium after
16 preparation had been duly made, the Narcotics
17 Law, the main point of which was immediate con-
18 trol and suppression, was enacted in parallel with
19 the control of opium, and the law prescribed to
20 inflict heavy punishment to any offender.

21 "Before the abrogation of extraterri-
22 toriality, a thorough investigation and control
23 was enforced with mutual cooperation among the
24 authorities of Japan and Manchukuo, and as a
25 result, illegal manufacturers have run away to

1 the North China districts. I resigned from the
2 Monopoly Bureau in August, 1937."

3 THE PRESIDENT: There should be a correc-
4 tion at page 20,306 of the record, line 22. Delete
5 the words, "The President," and substitute the
6 words, "Mr. Blakeney." Just prior thereto I had
7 questioned the accuracy of one per cent. That
8 does not appear in the record.

9 MR. G. WILLIAMS: I am informed there
10 is no additional direct examination, your Honor.
11 The prosecution may cross-examine.

12 THE PRESIDENT: Brigadier Quilliam.

13 CROSS-EXAMINATION

14 BY BRIGADIER QUILLIAM:

15 Q Witness, in the first paragraph of your
16 affidavit you explain that the Manchukuo Government
17 requested the appointment of a Japanese official
18 for the Monopoly Bureau. That request was made to
19 the Japanese Government, was it not, by the de-
20 fendant HOSHINO?

21 A Well, I have not heard of that myself,
22 personally. All that I heard was from the Ministry
23 of Finance, which had me understand that the
24 request had come from the Manchukuo Government
25 to the Japanese Government, that is, to the

NAMBA

CROSS

1 Ministry of Finance.

2 Q At that time HOSHINO was in charge of
3 the General Affairs Bureau in Manchukuo, was he
4 not?

5 A No.

6 Q What was his position?

7 A Director of General Affairs Bureau of
8 Department of Finance.

9 Q Very well. Did you have any discussion
10 with HOSHINO before you took up your appointment?
11 I mean in Japan.

12 A When I made a visit to Tokyo I saw
13 Mr. HOSHINO, and we discussed matters -- we dis-
14 cussed the fact that the Manchukuo Government was
15 seeking such officials as we.

16 Q And you discussed with him, did you not,
17 the object of the Monopoly Bureau and the scope
18 and nature of your duties?

19 A After I had generally heard that I was
20 to be recommended by the Finance Ministry, I saw
21 Mr. HOSHINO and spoke generally on the subject;
22 that is, I heard from him the -- I heard a few
23 things from him in a general way of speaking.

24 Q Did you discuss with him the question of
25 suppressing opium smoking?

NAMBA

CROSS

1 A At that time, just to the extent that
2 Manchukuo was contemplating the establishment
3 of laws for the purpose of suppressing opium
4 smoking.

5 Q Did you have any discussion with anyone
6 before you left Japan about the idea of suppressing
7 opium smoking in Manchukuo?

8 A I neither had the confidence nor the
9 ability to discuss such matters with others before
10 I had familiarized myself with the actual situation
11 in Manchuria.

12 Q Then do I understand it that the ques-
13 tion of opium smoking suppression was never
14 raised before you went to Manchukuo?

15 A Yes.
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NAMBA

CROSS

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1 Q Did HOSHINO tell you that this control --
2 this monopoly was to be a big undertaking?

3 A Yes, informally.

4 Q Did he tell you it was expected that there
5 would be a very large revenue?

6 A I do not recall that accurately.

7 Q Do you recall anything about it at all?

8 A Well, I am not clear about that. However,
9 I personally expected that a rather large revenue
10 could be expected from the opium monopoly, and I
11 have faint recollections that I have discussed the
12 subject of revenue from such monopoly with other
13 officials in the Finance Ministry. Other than that,
14 I do not have any recollection at the present moment.

15 THE MONITOR: Just a moment. Mr. Witness.

16 THE INTERPRETER: The statement of the
17 witness was somewhat vague at the present moment,
18 but he meant to say that he had discussed matters of
19 revenue and other future prospects of the Monopoly
20 Bureau not only with officials of the Finance
21 Ministry but with Mr. HOSHINO as well.

22 Q Did HOSHINO explain to you that the Chief
23 of Staff of the Kwantung Army had requested that the
24 opium revenue should be increased?

25 A I have no recollection whatsoever.

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1 Q Have you any recollection of his telling
2 you that the Kwantung Army had told the Japanese
3 Government there would be a deficit in the budget if
4 the revenue were not increased?

5 A No.

6 Q Have you any recollection of anyone telling
7 you anything of that kind?

8 A No.

9 BRIGADIER QUILLIAM: May the witness be
10 shown, please, exhibit No. 227?

11 (Whereupon, a document was handed
12 to the witness.)

13 Q Witness, as you see, that is a telegram
14 dated June 4, 1932 from the Chief of Staff of the
15 Kwantung Army to the Vice-Minister of War in Tokyo.
16 You observe that, do you not?

17 A Yes.

18 Q And you notice that it is marked "Very
19 Secret, Army."

20 A Yes.

21 Q Now, I am going to read you a paragraph
22 at the beginning under the heading "Particulars" on
23 the first page. It is numbered one.

24 "Manchukuo's finance is now confronted with
25 a great difficulty in realizing the revenues of 64

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1 million yuan which had been originally estimated at
2 the time of the founding of the State, on account
3 of difficulties in maintaining peace and order.
4 Since this amount included custom revenues of 19
5 million yuan and Opium Monopoly revenues of about
6 10 million yuan, Manchukuo would find herself in a
7 sad plight with estimated expenditure of 93 million
8 yen, unless these two items are speedily dealt with
9 so as to raise revenues."

10 Did you not know of that document before
11 now?

12 A No knowledge whatsoever.

13 Q Do you say that the defense, when they asked
14 you to make your affidavit, did not bring it to your
15 notice?

16 A I have not heard of this matter at all.

17 Q Now, did HOSHINO tell you that he was en-
18 gaged or had been engaged in negotiating a loan from
19 Japan on behalf of the Manchukuoan Government?

20 A No.

21 Q Do you know of that loan that I am referring
22 to of thirty million yuan raised at that time?

23 A Yes. After I went to Manchukuo in July,
24 1937, I heard of this matter in the Department of
25 Finance at which I was an official -- after January

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1 instead of July.

2 Q I think you mean 1933, don't you, not
3 1937?

4 A No -- I was mistaken; 1933.

5 Q And you then learned, did you not, that
6 this thirty million yen loan had as its security
7 opium revenue?

8 A I had no authority whatsoever with regard
9 to loans and credits. However, I must say that I
10 heard of these matters much, much later; and, when
11 I did hear of it, it was that the revenues from
12 opium constituted a part of the security.

13 BRIGADIER QUILLIAM: That question, if it
14 please your Honor, is based on exhibit 375.

15 Q Now, while you were in Manchukuo, the
16 officials of the Manchukuoan Government communicated
17 with the Japanese Government through the Kwantung
18 Army, did they not?

19 A I have heard that very important or large
20 matters between Japan and Manchukuo were negotiated
21 or communicated through the Kwantung Army. But,
22 in so far as the opium monopoly is concerned, I have
23 had no such experience whatsoever.

24 Q Did you not transact your business through
25 the officials of the Kwantung Army itself?

1 A To transact through the Kwantung Army with
2 whom?

3 Q With officers of the Kwantung Army Head-
4 quarters whom you knew.

5 A It is my recollection that there were some
6 officers of the Kwantung Army who had considerable
7 interest in the question of opium from the stand-
8 point of maintenance of peace and order in Man-
9 chukuo as well as from the standpoint of discipline
10 and conduct of officials of the government. How-
11 ever, with respect to the work and activities of
12 the Monopoly Bureau, I have no recollection whatso-
13 ever of ever having received any direct orders from
14 the GHQ of the Kwantung Army.
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1 Q That is not my question, Witness. I will
2 put the question again in a somewhat different form.

3 Did you not usually deal directly with the
4 Headquarters of the Kwantung Army because of your
5 personal contacts with the officers there?

6 A No.

7 Q Very well.

8 Were you aware that the Kwantung Army was
9 interested in getting the opium monopoly on an
10 operating basis quickly, among other reasons, in
11 order to get the revenue?

12 A I should think that they might have so
13 desired, but I personally have never received direct
14 orders from them.

15 Q My question was, Did you know that to be a
16 fact?

17 A The question isn't quite clear to me.

18 Q The question is this: Do you not know
19 as a fact that the Kwantung Army was anxious, when
20 you first went to Manchukuo, to get the opium
21 monopoly operating quickly?

22 A Yes, that is a fact.

23 Q And you knew that one of their reasons
24 was that they wanted the extra revenue?

25 A Of course I could imagine that revenue would

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1 be one of their desires, but the primary object
2 of the Kwantung Army was the preservation and
3 maintenance of peace and order in Manchukuo.

4 Q Very well. I want to refer you to a para-
5 graph in your present affidavit at the bottom of
6 page 5 on the English copy. I will read you a
7 short extract. It has reference to smokers' per-
8 mits.

9 "Each addict was given a government per-
10 mit with which he was allowed to buy opium from
11 the Government. Of course those who were under
12 age were not allowed to do so. But as for those
13 who were of age and deemed to be fairly addicted,
14 we had them register according to their declaration
15 without making any strict investigations and laying
16 down rigid conditions."

17 You recall that?

18 A Yes.

19 Q Were there any other restricted classes
20 besides minors?

21 A No.

22 Q What about Japanese nationals?

23 A Strictly prohibited. As far as Japanese
24 nationals were concerned, opium smoking was strictly
25 prohibited.

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1 Q Why did you say there were no other
2 restricted classes than minors?

3 A I was not considering Japanese nationals
4 at the time.

5 Q But in fact the greatest care was exer-
6 cised to make quite sure that no Japanese was allowed
7 to smoke opium; that is so, isn't it?

8 A At that time no special measures were taken,
9 because Japanese were enjoying extra-territorial
10 rights in Manchuria.

11 Q Is it not a fact that at no time was a
12 Japanese national allowed to have a smoker's permit
13 or to smoke opium?

14 A Yes.

15 Q Now, dealing with the profits of the opium
16 monopoly, have you any more information about profits
17 than that given in your affidavit? It would probably
18 be better if I read what you say in your affidavit.
19 It is on page 14 of the English copy.

20 "As far as I can remember, we estimated
21 the possible profit to be 5 million yuan a year
22 when we made the first budget. But the profit
23 proved to be only about 360,000 yuan the first year
24 (1932). In the following year the profit was
25 about 1,200,000 yuan, but in the fourth year, 1936,

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1 it amounted to about 10,000,000 yen, as my memory
2 runs."

3 THE PRESIDENT: It reads 1,200,000 yuan
4 and 10,000,000 yen. Is there any difference?

5 BRIGADIER QUILLIAM: I am sorry, sir.

6 THE INTERPRETER: The witness said that is
7 the same.

8 Q Now, first of all, should not that year,
9 1936, where the 1,200,000 profit was made -- should
10 that not be 1935?

11 THE PRESIDENT: The 10,000,000 was made
12 in 1936, according to the affidavit.

13 BRIGADIER QUILLIAM: Yes. I am obliged
14 for the correction. I should have referred to the
15 10,000,000 profit.

16 A The largest figure which I still had in
17 my memory happened to be 10,000,000 yen or more,
18 and that being around 1936, as my memory served me,
19 I so wrote in my affidavit.

20 Q You are aware, are you not, Witness, that
21 the profit got up to 30,000,000 yen?

22 A I don't think it rose to 30,000,000 yen.

23 Q Do you remember in about June or July of
24 last year making an affidavit for the prosecution
25 in connection with opium matters?

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1 A Yes.

2 Q Do you remember in that affidavit -- Per-
3 haps I had better show you the affidavit.

4 BRIGADIER QUILLIAM: May the witness be
5 shown the affidavit?

6 (Whereupon, a document was handed to
7 the witness.)

8 Q (Continuing) That is your affidavit, is
9 it not?

10 A Yes, it is.

11 Q Now I am going to read you a paragraph
12 from towards the end of it, dealing with profits.

13 THE MONITOR: Do you have the document
14 number, sir?

15 BRIGADIER QUILLIAM: This document does
16 not get an exhibit. Yes, it has a prosecution
17 number, 2278.

18 THE MONITOR: I don't believe we have
19 received such a document from the prosecution, sir.

20 BRIGADIER QUILLIAM: I have given the
21 Translation Section a copy of the English and the
22 Japanese.

23 THE MONITOR: Just a minute, please. I
24 am sorry, Brigadier; that document has not reached
25 the booth here.

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1 Q (Continuing) I will read it; it isn't very
2 long.

3 "As nearly as I can recall, when the first
4 budget was set up we had estimated a profit of
5 5,000,000 yen," I think," but actually the profit
6 was only about 300,000,000 yen."

7 THE MONITOR: Did you mean 300,000,000, sir?

8 BRIGADIER QUILLIAM: 300,000.

9 Q (Continuing) "Because the people did not
10 fully understand the purpose of the Monopoly Bureau.
11 Profit for the second year was about 1,200,000 yen
12 and in the third year, or 1935, the profits jumped
13 to 10,000,000 and the profits increased in the same
14 ratio thereafter. Income then increased to 20,000,000
15 yen and next to 30,000,000 yen. I believe the 30,000,000
16 yen was the maximum profit in any year. I do not
17 know what the total sales were for each year."

18 Do you observe that passage I have just read
19 in the affidavit?

20 A Yes.

21 Q And that statement is true, is it not?

22 A At that time I thought so, but since that
23 time I have seen the government estimates on the matter
24 and I have had to revise my views on the subject. I
25 think 30 million yen is too high a figure and that

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1 20 million yen or a little more than that would be
2 perhaps the most accurate figure or estimate that
3 could be given.

4 Q You had a copy of that affidavit, did you
5 not, the one we have just referred to?

6 A No.

7 Q You haven't got a copy of it at all?

8 A Not at all.

9 Q Didn't Mr. Sandusky give you a copy when you
10 swore it?

11 A Mr. Sandusky proposed to give me one but I
12 declined it and went home without it.

13 Q I see. And you invite the Tribunal to dis-
14 regard what you said on oath in the first affidavit
15 and to accept what you say in the second. Is that
16 your attitude?

17 A With regard to this first record, that is,
18 the first affidavit, I must admit that I did not have
19 any source for figures at the time and they were
20 recollections of matters which took place more than
21 ten years before and, therefore, I must admit that
22 the figures were inaccurate.

23 Q And you want the Tribunal not to believe
24 that part of your first affidavit, is that so?

25 A Yes. That is, 30 million yen is too high a

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1 figure, a little too high a figure.

2 Q Now I want to refer to another part of your
3 affidavit, the one you have in front of you. I am
4 referring to the second paragraph on the first page.
5 I will read it: "We discussed" -- this is referring
6 to your interview with Mr. HOSHINO -- "We discussed
7 very generally the work to be done but we made no
8 plans nor did we discuss the organization of an opium
9 suppression program at that time, although after I
10 went to Manchukuo there were many discussions on the
11 possibility of suppressing opium smoking. I had no
12 specific advice in Japan that I was to organize opium
13 suppression activity but in my own mind I was con-
14 sidering that aspect of the problem." Is that state-
15 ment correct or have you made a mistake about that one
16 too?

17 THE INTERPRETER: Brigadier Quilliam, I
18 think our verbatim translation of the passages now
19 read by you is quite different from the actual text
20 that is in the hands of the witness so there might
21 be some confusion there.

22 BRIGADIER QUILLIAM: Has the translation
23 section not procured the copy yet?

24 THE INTERPRETER: Unfortunately not, sir.

25 BRIGADIER QUILLIAM: Well, I will pass that

1 and that point can be cleared up later.

2 THE PRESIDENT: I think we would all like
3 you to subject the witness to the fullest and most
4 orderly cross-examination. This is a ~~most~~ unusual
5 feature, a witness giving affidavits to both sides,
6 and this is a most important phase of the case.

7 We will recess now for fifteen minutes to
8 permit an orderly cross-examination later.

9 (Whereupon, at 1040, a recess was
10 taken until 1100, after which the proceedings
11 were resumed as follows:)

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1 THE PRESIDENT: Brigadier Quilliam.

2 BRIGADIER QUILLIAM: May it please the
3 Tribunal, the Translation Section have found the docu-
4 ment. Now I will read that part of the second para-
5 graph on the first page which I read before to make
6 quite sure the translation is right. It beings, "We
7 discussed."

8 "We discussed very generally the work to be
9 done but we made no plans nor did we discuss the
10 organization of an opium suppression program at that
11 time, although after I went to Manchukuo there were
12 many discussions of the possibility of suppressing
13 opium smoking. I had no specific advice in Japan
14 that I was to organize opium suppression activity
15 but in my own mind I was considering that aspect of
16 the problem."

17 BY BRIGADIER QUILLIAM (Continued):

18 Q Witness, the statement I have just read is
19 correct, is it not?

20 A Yes.

21 Q. Now I will read from another paragraph on
22 the second page, beginning, "Our contact with the
23 Japanese Government."

24 "Our contact with the Japanese Government
25 was maintained by liaison with the Third Section,

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1 (changed to the Fourth Section in 1937) of Headquarters,
2 Kwantung Army. The General Affairs Board (Somucho)
3 was the agency through which liaison between the
4 Manchukuo Government and the Kwantung Army was main-
5 tained. Actually, however, we usually dealt directly
6 with Headquarters Kwantung Army because of our per-
7 sonal contacts with officers there. The Kwantung Army
8 was interested in getting the Monopoly Bureau on an
9 operating basis as quickly as possible, (1) to gain
10 control of unofficial local governments as well as
11 bandit groups gaining revenues from illegal opium
12 traffic, (2) to regulate opium smoking to avoid dis-
13 grace to the country, and (3) to turn illicit revenues
14 into regular governmental income."

15 May the witness be shown the original docu-
16 ment again, sir?

17 (Whereupon, the document was handed
18 to the witness)

19 Q (Continuing) Now is that statement that has
20 just been read to you, does that represent the truth?

21 A Yes.

22 Q Do you observe that later in the affidavit
23 when you were talking about smokers' permits you make --
24 you refer to the fact that Japanese nationals were
25 unable to obtain smoking permits? Why did you leave

1 that out of your present affidavit? Why did you not
2 say in the affidavit you have just sworn to earlier --
3 why did you not say that Japanese nationals were not
4 allowed to have smokers' permits?

5 A I thought that was unnecessary to point out
6 because Japanese nationals were strictly prohibited
7 from anything to do with opium by Japanese laws.

8 Q Now I am going to read again so as to make
9 quite sure of the translation the paragraph dealing
10 with profits. It is at the bottom of page 3 and
11 begins, "As nearly as I can recall."

12 "As nearly as I can recall when the first
13 budget was set up, we had estimated a profit of
14 ¥5,000,000, but actually the profit was only about
15 ¥300,000, because the people did not fully under-
16 stand the purpose of the Monopoly Bureau. Profit for
17 the second year was about ¥1,200,000, but in the
18 third year, or 1935, the profits jumped to ¥10,000,000,
19 and the profits increased in the same ratio there-
20 after. Income then increased to ¥20,000,000 and next
21 to ¥30,000,000. I believe the ¥30,000,000 was the
22 maximum profit in any year. I do not know what the
23 total sales were for each year."

24 Do you say whether that statement is correct
25 or incorrect?

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1 A At the present time I think some figures
2 were erroneous.

3 BRIGADIER QUILLIAM: Some things were erroneous.
4 May it please the Tribunal, I offer in
5 evidence the original affidavit which has been referred
6 to, document No. 2278.

7 THE PRESIDENT: The whole or only those parts
8 you referred to, Brigadier?

9 BRIGADIER QUILLIAM: Sir?

10 THE PRESIDENT: The whole or only those parts
11 you referred to?

12 BRIGADIER QUILLIAM: I intended the whole,
13 if it please your Honor, and I intended to say that
14 we would, of course, have copies made and distributed
15 in the usual way.

16 THE PRESIDENT: Admitted on the usual terms.

17 CLERK OF THE COURT: Prosecution's document
18 No. 2278 will receive exhibit No. 2463.

19 (Whereupon, the document above
20 referred to was marked prosecution's ex-
21 hibit No. 2463 and received in evidence.)

22 BRIGADIER QUILLIAM: May it please the
23 Tribunal, that concludes the cross-examination.
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REDIRECT EXAMINATION

1 BY MR. NIGITA:

2 Q May I ask the witness whether -- was it
3 while you were in Manchukuo or after you left
4 Manchukuo that the extra-territoriality was relinquished?

5 THE PRESIDENT: I would like to know whether
6 you propose redirect examination and on whose behalf
7 and in respect to what matter?

8 MR. NIGITA: I am sorry, sir. I shall
9 conduct redirect examination on behalf of the
10 accused HOSHINO.

11 A I recall it as having taken place in 1937,
12 shortly before my departure from Manchukuo.

13 Q After the abolition of extra-territoriality
14 were there any differences in the application of
15 the anti-narcotic regulations as applied to Japanese
16 and Manchurians?

17 A They were treated on the same basis. How-
18 ever, as far as Japanese nationals were concerned, I
19 think that Japanese laws also equally applied to
20 them.

21 THE PRESIDENT: Brigadier Quilliam.

22 BRIGADIER QUILLIAM: May it please the
23 Tribunal, I might suggest that this does not come
24 within the scope of the cross-examination, does not
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1 arise from anything that was said in cross-examination.

2 MR. NIGITA: I wanted to make this point
3 clear. During the cross-examination the point was
4 raised as to the application of anti-narcotic regula-
5 tions with regard to Japanese and Manchurians.

6 This concludes my redirect examination.

7 THE PRESIDENT: Is there any further re-
8 direct?

9 MR. G. WILLIAMS: Evidently there is none,
10 your Honor.

11 THE PRESIDENT: The witness is at liberty
12 on the usual terms.

13 (Whereupon, the witness was excused.)
14

15 THE PRESIDENT: Major Blakeney.

16 MR. BLAKENEY: I now offer in evidence
17 defense document No. 637-I, an excerpt from the
18 Manchurian Year Book, 1942, for identification, to
19 show the ten-year opium addict relief program laid
20 out by the Manchukuo Government and the fact that
21 although revenue was derived from the opium monopoly,
22 it was not considered profit because of the over-all
23 loss to society.

24 THE PRESIDENT: Admitted on the usual terms.

25 MR. BLAKENEY: Since there seems to be

1 difficulty about the mechanics, I will pass that for
2 the time being.

3 I now wish to call attention to prosecution
4 exhibit No. 450 being excerpts from the Tokyo Gazette,
5 which on page 3 thereof shows a decrease in the number
6 of opium addicts between the years 1932 and 1941 from
7 1,300,000 to 500,000, and an increase during those
8 years in the number of hospitals for the treatment of
9 opium addicts from zero to 150.

10 Further, in order to show some of the reforms
11 which the Manchukuo Government set out to accomplish,
12 I read from exhibit No. 57, the Lytton Report, beginning
13 with the last paragraph at the bottom of page 105. I
14 read one paragraph:

15 "The programme of the 'Government' contains
16 a number of liberal reforms the application of which
17 would be desirable, not only in Manchuria, but also
18 in the rest of China; in fact, many of these reforms
19 figure equally in the programme of the Chinese Govern-
20 ment. In their interviews with the Commission, the
21 representatives of this 'Government' claimed that, with
22 the help of the Japanese, they would be able to estab-
23 lish peace and order within a reasonable time and would
24 thereafter be able to maintain it permanently. They
25 expressed the belief that they would be able to secure

1 the support of the people in time by assuring them an
2 honest and efficient administration, security from
3 bandit raids, lower taxation as the result of reduced
4 military expenditure, currency reform, improved com-
5 munications and popular political representation."

6 The evidence hereafter to be offered will
7 show how these reforms were accomplished, in refuta-
8 tion of the charges of exploitation contained in
9 Sections 1, 3 and 4 of Appendix A of the Indictment.

10 I now offer in evidence defense document
11 No. 637-F, an excerpt from the Manchukuo Year Book
12 for 1942, in order to show the increase in the number
13 of primary schools and in the number of teachers under
14 the new regime.

15 THE PRESIDENT: Brigadier Quilliam.

16 BRIGADIER QUILLIAMS: May it please the
17 Tribunal, the prosecution objects to the introduction
18 of this document which it contends is irrelevant. The
19 fact, if it be a fact, that the numbers of schools
20 and teachers and pupils in Manchukuo increased after
21 1931 has, it is submitted, no relevancy to any issue
22 in this case. It may well be the case that there was
23 an improvement in the administration of Manchukuo
24 after 1931 and that this was due to Japanese efforts.
25 It is submitted, however, that that does not touch the

1 real question involved in this case which is whether
2 Japan was dominating the country for her own purposes.

3 THE PRESIDENT: Major Blakeney.

4 MR. BLAKENEY: I think the last statement by
5 the Brigadier shows exactly the relevance which we
6 contend for in the case of these proofs. That is to
7 say, the proof will be that Manchukuo had its own
8 government with its own program of reforms and of
9 administration to be adopted for its own sake. It is
10 submitted that a most strong inference on the question
11 of who dominated Manchukuo can be drawn from the type
12 of improvements or changes in governmental structure
13 and administration which the country underwent, for the
14 improvement of the educational system, of the sanitation
15 system, the judicial system would in varying
16 degrees benefit the Japanese people not at all and
17 the Manchukuoan people vastly. Therefore, it is submitted
18 that this type of proof is extremely relevant
19 on the exact question of who was controlling Manchukuo
20 and for what purpose.

21 THE PRESIDENT: Such evidence might have a
22 bearing on mitigation of any possible punishment, but
23 apart from that I fail to see the relevancy of it.
24 However, I will ask my colleagues for an opinion.

25 By a majority, the Tribunal upholds the

1 objection and rejects the evidence tendered.

2 MR. BLAKENEY: Not being clear whether my
3 next document is covered by the ruling, I will proceed
4 with the tender. It is defense document No. 637-C,
5 an excerpt from the Manchukuo Year Book, to indicate
6 the improved nature of the judiciary.

7 THE PRESIDENT: Brigadier Quilliam.

8 BRIGADIER QUILLIAM: May it please the
9 Tribunal, the prosecution claims that this is on all
10 fours with the previous document and has no relevance
11 in this case.

12 THE PRESIDENT: It is covered by the last
13 decision, Major Blakeney. The objection is upheld and
14 the document rejected.

15 MR. BLAKENEY: Defense document No. 637-H is
16 a similar excerpt on the question of sanitation, which
17 I take to be covered by the previous ruling.

18 THE PRESIDENT: Is there any objection?

19 BRIGADIER QUILLIAM: I am sorry. I assumed
20 that it appeared to the prosecution that this document
21 is even more objectionable than the previous one.

22 THE PRESIDENT: The Court does not want to
23 take objections except, of course, for such reason as
24 it is repetitive. The objection is upheld and the
25 document rejected.

1 MR. BLAKENEY: I now offer in evidence defense
2 document 637-B, a further excerpt from the Manchukuo
3 Year Book, as evidence of the vast reform instituted
4 in order to stabilize the currency in Manchukuo.

5 THE PRESIDENT: Any objection?

6 BRIGADIER QUILLIAM: If it please the Tribunal,
7 the prosecution consider that this document may well
8 have relevancy in connection with the plans.

9 THE PRESIDENT Admitted on the usual terms.

10 CLERK OF THE COURT: Defense document
11 No. 637-B will receive exhibit No. 2464.

12 (Whereupon, the document above re-
13 ferred to was marked defense exhibit No.
14 2464 and received in evidence.)

15 MR. BLAKENEY: I read the exhibit:
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1 "Currency Stabilization: The Central Bank
2 of Manchou at first followed the policy of maintain-
3 ing the value of the Yuan equal to the price of 23.91
4 grammes of pure silver and was able to retain its sta-
5 bility through the control of money in circulation and
6 also through transactions in silver and exchange on
7 Shanghai. However, it was not long before it was
8 found extremely disadvantageous to continue linking
9 the yuan with silver, owing to the United States em-
10 barking upon a silver purchasing programme. Affected
11 by the United States' policy of boosting the price of
12 the white metal the price of silver, dissociating
13 itself from general commodity prices, began to move
14 upward from the autumn of 1934, and as a consequence
15 the equilibrium between silver and commodity prices
16 was broken, causing a rise in currency values and a
17 fall in commodity prices in the countries with silver
18 currencies. In order to reduce the disturbing effects
19 of the violent fluctuations in the value of silver to
20 the minimum, the Central Bank watched the developments
21 in the silver situation and endeavored to prevent any
22 violent changes in currency values and commodity prices
23 by managing its currency so that its rise was limited
24 to only one half of that of silver. In this way the
25 Central Bank, while keeping an eye on the silver sit-

1 uation, neither linked its currency to silver nor di-
2 vorced it from the white metal. This policy was
3 pursued until March 1935.

4 "In the meantime the fluctuations in the
5 price of silver became increasingly violent; the
6 London bar silver quotation on April 25, 1935, ad-
7 vanced to about 34 pence from 32 pence or so the pre-
8 vious day and rose sharply further to over 36 pence
9 the next day, but soon dropped to around 33 pence
10 again, manifesting a very erratic tendency. Awakening
11 to the fact that if the national currency continued
12 to be linked with silver its value would rise and
13 fall violently and cause serious disturbances to the
14 economic world, the Central Bank finally decided to
15 divorce the national currency from silver and shifted
16 over to the policy of a simple managed currency,
17 having for its objective the stabilization of commo-
18 dity prices. As a result the internal value of the
19 currency was stabilized notwithstanding the drastic
20 rise in the price of silver abroad. Commodity prices
21 also became stable.

22 "At the time the Manchoukuo currency was
23 first completely divorced from silver the Yuan re-
24 tained a relatively stable value in relation to the
25 Japanese Yen at around 107 and 108 Yen against 100

1 Manchoukuo Yuan. But when the Manchoukuo currency
2 began to have a stable relation to the Japanese cur-
3 rency, without being influenced by the fluctuations
4 in the price of silver, it became to be generally
5 talked about that the Manchoukuo currency was being
6 controlled with the object of bringing it to par with
7 the Japanese currency. This view gradually gained
8 ground and the value of the national currency which
9 had been stabilized against the Japanese Yen at around
10 107 to 108 Yen gradually approached the Japanese Yen
11 in value. Thus step by step, through the months of
12 May, June, July and August, it became closer to the
13 Yen, finally reaching parity in September 1935. It
14 has remained so ever since."

15 Since I am advised that the Clerk now has
16 document 637-I I again offer it in evidence.

17 THE PRESIDENT: Admitted on the usual terms.

18 CLERK OF THE COURT: Defense document
19 No. 637-I will receive exhibit No. 2465.

20 (Whereupon, the document above
21 referred to was marked defense exhibit
22 No. 2465 and received in evidence.)
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1 MR. BLAKENEY: This being an important
2 document showing the results of the opium control
3 policy, I propose to read it in its entirety.

4 "Registration of Opium and Narcotic-Addicts.
5 To ascertain the precise number of addicts was the basic
6 and most important conditions for the execution of all
7 programs and measures aimed at the eradication of
8 drug-taking. Naturally, the Central Government took
9 every opportunity to give instructions and encourage-
10 ments to local authorities with regard to the registra-
11 tion of addicts, in the hope that all addicts might be
12 registered before the end of July, 1918" -- a misprint
13 which appears in the original -- "the time limit set
14 for registration.

15 "But some addicts in those districts where the
16 preservation of peace and order was unsatisfactory or
17 in other areas, shocked by the intensity of the anti-
18 drug movement launched immediately after the announce-
19 ment of the Government's policy, misconstrued this
20 registration system as presaging the imposition of a
21 tax or compulsory labour. They considered it a shame
22 to themselves to have their names registered.

23 "For these and other reasons, only slightly more
24 than 200,000 addicts had been registered after a lapse
25 of four months since the registration system was

1 started, according to official reports received from
2 the various provincial governments by the end of May.
3 Thus, the results of the registration were far from
4 satisfactory.

5 "In order to cope with this situation, the
6 Central Anti-Opium Encouragement Committee despatched
7 parties of officials to local districts to expedite
8 the registration of addicts. For about one month,
9 these parties acted positively upon the various organs
10 concerned in the principal cities of the country, thus
11 dispelling groundless rumours of an extension of the
12 time-limit for registration. At the same time, the
13 local authorities concerned were better informed in
14 order to understand the real objective of the registration system and to make positive efforts towards
15 accelerating the registration task. Quite fruitful,
16 indeed, was the despatch of these parties. Thus, the
17 registration of addicts throughout the country had
18 nearly been completed by the end of July, save for
19 some districts in Senkiang, Tunghua and Jehol Province
20 and in Huatien-hsien, Kirin Province, where specific
21 conditions prevailed.

23 "Relief of Opium and Other Narcotic Addicts.
24 As remedial institutions for the benefit of opium and
25 other narcotic addicts, ten state infirmaries have been

1 established, in addition to 36 hsien-managed infir-
2 maries created with the proceeds from the public sale
3 of opium. Thus, there were altogether 46 infirmaries
4 in operation at present. Frankly, however, most of
5 these infirmaries are far from satisfactory in point
6 of scale and equipment; some of them even have the
7 appearance of establishments for sheltering indigents.

8 "Further, no active endeavours have been
9 exerted to accommodate many addicts into these infir-
10 maries. Due also to the failure of these establishments
11 to institute any positive remedial measures for the
12 addicts taken in, seven out of the ten persons treated
13 at the infirmaries again become addicts after retiring
14 from the institutions. This fact has given rise to
15 the occurrence of the opinion that the curing of the
16 addicts is impossible.

17 "In the firm conviction, however, that if
18 such remedial facilities are substantially improved,
19 better guidance is given to the addicts and thorough-
20 going control is exercised, the undertaking can progress
21 successfully, the Government decided to erect a total
22 of 200 more infirmaries in different provinces during
23 the three years of 1938, 1939 and 1940 and has mapped
24 out a 10-year program under which all addicts
25 (estimated at 900,000 including young addicts or legal

1 minors) to be taken under remedial treatment during
2 the period of 10 years. Below is given a detail of
3 this program."

4 I shall omit reading the table except to
5 point out that it shows a proposed decrease in the
6 number of addicts from 1938 to 1947 of 880,000 odd to
7 30,000 odd.

8 "Opium-Smoking in Relation to National
9 Problems.

10 "In spite of its determination to dispose of
11 the opium question in as short a period of time as
12 possible, the Manchoukuo Government is faced with
13 certain problems, a knowledge of which is essential to
14 the understanding of its policy with regard to the
15 eradication of the opium habit. In the following para-
16 graphs a close study will be made of the urgent problems
17 related to the whole opium question.

18 "Government Finance. According to figures for
19 the past several years, the profit derived from the
20 opium monopoly by the Manchoukuo Government amounted to
21 the sum of ten million yuan for one of the record
22 years. On the surface, this may seem a profitable
23 source of State revenue. But close scrutiny reveals
24 that this sum is not a profit in the real sense of the
25 world. In the first place, Manchoukuo consumes annually

1 some 180 million yuan worth of opium. In the second
2 place, the opium habit not only demoralizes the addict
3 spiritually, but also weakens them physically. To-
4 gether with the decline in their utility, comes a pro-
5 portionate lessening of the productivity of the
6 country. It appears that addicts consume more
7 resources than the average individual at the same time
8 producing much less. As a proverbial Chinese adage
9 says, they are 'fond of eating, but dislike work.'
10 If this extra consumption and the subsequent loss in
11 national productivity are computed in terms of money,
12 it is estimated that Manchoukuo loses 150 million yuan
13 annually.
14

15 "Worse still, the criminal rate increases in
16 direct ratio to the number of addicts, putting an
17 extra burden on the policing and administrative costs to
18 the State. Taking into consideration these various
19 facts, the elimination of the opium habit from Man-
20 choukuo would mean approximate savings every year to
21 the State of over 300 million yuan, conservatively
22 estimated.

23 "The net saving of this huge sum, directed into
24 usual channels, would mean a corresponding increase in
25 the consuming power in the country, providing a poten-
tial incentive to the general economic prosperity and

~~well-being of Manchoukuo. It is also evident, that~~

1 as a result of the increase of economic activity, the
2 State revenue from taxes would more than offset the
3 rather dubious gains to be gotten from the enforcement
4 of the opium monopoly.

5 "The relatively small profit accruing inci-
6 dentally from the opium monopoly may arouse some
7 suspicion on the part of foreign public opinion as well
8 as misunderstandings. But an examination of the actual
9 situation leaves no room for such doubts or cynicism.

10 "True, there are difficulties and obstacles
11 to be overcome in any undertaking. But in connection
12 with the opium problem, the Manchoukuo Government is
13 firmly determined to hurdle any and all obstacles to
14 the achievement of ultimate success.

15 "Conclusion. Already, more than two years
16 and a half have passed since the Government first adopted
17 its positive policy of suppressing the drug habit.
18 During this span of time, the Government has left
19 nothing undone in its efforts to find a speedy solu-
20 tion to the various problems that are related to the
21 policy. Taking into consideration the failure of
22 past attempts in this direction and the necessity of
23 meeting the exacting requirements of the current
24 situation in the country, the anti-opium campaign has
25

1 been divided into several different stages.

2 "The first stage, completed by the end of
3 July, 1937, was occupied with the registration of all
4 old addicts. The second stage, which was started
5 immediately after that date, covered the perfecting
6 of medical facilities to be placed at the disposal of
7 the addicts. The third included the institution of
8 stringent laws to prevent the rise of new addicts.
9 This was started the very day the registration of the
10 addicts was finished. But its enforcement was not to
11 begin until after the completion of the second stage.
12 Accordingly, individuals not duly registered found
13 smoking opium and those found profiteering from the
14 narcotic traffic have been severely punished, and will
15 be punished with equal severity in the future.

16 "Beginning with 1939, moreover, addicts in
17 government service or in the employ of special corpora-
18 tions will not be tolerated. From every angle, efforts
19 are being made to eliminate smokers once and for all,
20 no matter what difficulties may crop up in the way. It
21 should also be pointed out that the year 1938 was the
22 time limit allowed for the reformation of such addicts.
23 Thus if any addicts are found among public servants or
24 employees of special corporations, there should, of
25 course, be no room for any sympathetic considerations.

1 "The opium laws mentioned above are applicable
2 according to the social position or occupation of the
3 addict. Besides, age restrictions are in force, in
4 accordance with which all addicts aged under 30 were
5 required to cure themselves voluntarily from the evil
6 habit by the end of 1939. In case any such addicts are
7 found after that date, they are to be indicated and sub-
8 jected to forcible remedial treatment.

9 "The original policy for the suppression of
10 the drug habit was to be spread over a maximum period
11 of ten years. But the Government intends to complete
12 the policy within the shortest possible period. With
13 respect to some narcotics, the Government, seeing that
14 they were several times more poisonous than opium,
15 adopted a policy of immediate suppression at the very
16 outset.

17 "In spite of this policy, some supply of these
18 narcotics is still permitted. This is for no other
19 reason than the prevention of their illegal traffic
20 which otherwise would be impossible. After the perfec-
21 tion in the future of necessary medical facilities, the
22 addicts will preferentially be taken into infirmaries
23 and other institutions. All addicts and illegal drug
24 traffickers when found even after that will be severely
25 dealt with."

1 THE PRESIDENT: I am asked to put this to
2 you: Is the figure for 1944 correct? This is only a
3 program, as I understand it, an estimate made in 1942
4 of conditions that would operate up to 1947. Was the
5 estimate realized?

6 MR. BLAKENEY: I am unable to state, sir,
7 whether the projected figures were arrived at. I will
8 make inquiry to attempt to ascertain that.

9 If we compare prosecution exhibit 450, page
10 3 shows the number of addicts in 1941 to have been
11 reduced to 500,000 as against the projected number of
12 603,000.

13 THE PRESIDENT: Independently of the prosecu-
14 tion you have no figures for 1944?

15 MR. BLAKENEY: That is correct, sir, I have
16 not. And I suspect that, like all other evidence from
17 Manchuria, it will be unobtainable.

18 THE PRESIDENT: Is the Manchuria Yearbook a
19 government publication?

20 MR. BLAKENEY: No, sir. Like the Japan Year-
21 book it is published by the Manchukuo Yearbook Company.

22 THE PRESIDENT: What do the last two exhibits
23 say? I ask whether it is one or not.

24 MR. BLAKENEY: I am afraid I didn't understand
25 the question, your Honor.

1 THE PRESIDENT: The last two exhibits say
2 it is a publication by a company. But I am asked to
3 ask you whether it is a government publication.

4 MR. BLAKENEY: I know no more about the matter
5 than can be gathered from the imprint which is copied
6 at the top of the excerpt. I assume there is some
7 official support, but I don't know the extent of it.

8 Further to show many of the improvements ef-
9 fected in Manchukuo, we call the witness MUTO Tomio
10 who will testify by his affidavit, defense document
11 No. 957.
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MUTO

DIRECT

1 T O M I O M U T O, called as a witness on behalf
2 of the defense, being first duly sworn, testified
3 through Japanese interpreters as follows:

4 MR. BLAKENEY: The examination in chief will
5 be conducted by Mr. Williams.

6 THE PRESIDENT: Mr. Williams.

7 DIRECT EXAMINATION

8 BY MR. WILLIAMS:

9 Q Will the witness tell the Tribunal his name
10 and residence?

11 A My name, MUTO Tomio. My address, Number 157
12 3-Chome, Tamagawa-Okuzawa-machi, Setagaya-ku, Tokyo.

13 MR. WILLIAMS: May the witness be shown defense
14 document No. 957.

15 (Whereupon, a document was handed to
16 the witness.)

17 Q Will you examine that document and say whether
18 or not it is your affidavit?

19 A There is no mistake that this is my affidavit.

20 Q Is it true and correct?

21 A Yes.

22 MR. WILLIAMS: We offer in evidence defense
23 document No. 957, the affidavit of the witness MUTO.

24 THE PRESIDENT: Brigadier Quilliam.

25 BRIGADIER QUILLIAM: May it please the Tribunal,

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1 the prosecution wishes to move at this stage that ten
2 paragraphs of this affidavit should be struck out before
3 it is read. It is submitted--

4 THE PRESIDENT: My colleagues haven't copies
5 yet. I have the copy given to the Judges some days ago.

6 BRIGADIER QUILLIAM: It is submitted, if it
7 please the Tribunal, that the following paragraphs are
8 irrelevant:

9 Paragraph 3, which deals with the reform of the
10 judicial system.

11 Paragraph 3-A, which deals with consolidation
12 of legislation.

13 Paragraph 4, reorganization of the courts.

14 Paragraph 5, independence of the judiciary.

15 Paragraph 6, consolidation of legislation the
16 second time.

17 Paragraph 7, reorganization of the courts
18 again.

19 Paragraph 8, reform of the prison system.

20 Paragraph 9, reform of the status of lawyers.

21 It is submitted, if it please the Tribunal,
22 that all those paragraphs are objectionable on the same
23 ground as applied to the documents dealing with education,
24 sanitation, and so on.

25 If it is assumed that every statement in those

MUTO

DIRECT

1 paragraphs is true and correct, it would carry this case
2 not one step further. It is suggested that there is
3 not a single statement in those paragraphs which even
4 attempts to apply the evidence to any issue in this case.

5 Prosecution also objects to paragraphs 13 and
6 14 on pages 10, 11 and 12. These deal with the purpose
7 of establishing the Manchurian Heavy Industry Company,
8 but it is submitted that these paragraphs have no
9 probative value, and that they are merely an account by
10 the witness of what he was told by someone several
11 years after the event. It is difficult to summarize
12 this very vague and general statement contained in these
13 two paragraphs, but the object appears to be to show
14 that in developing Manchurian industries it was desired
15 to use American capital and methods.
16

17 It is, therefore, submitted that in addition
18 to the ground of having no probative value, that these
19 two paragraphs are irrelevant to the issues in this case.
20 They can only cause confusion, it is submitted, in con-
21 sidering the affairs or the matters dealing with the
22 Manchurian Heavy Industry Company.

23 THE PRESIDENT: On page 7 the witness refers
24 to sermons preached by him as a Christian pastor. Any
25 objection to that? What one of my colleagues says for

MUTO

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1 the whole affidavit may apply to that part, that it is
2 interesting but irrelevant.

3 BRIGADIER QUILLIAM: May it please the Tribunal,
4 in deciding which paragraphs should be specifically ob-
5 jected to, I took those that it appeared to me were
6 clearly irrelevant.

7 If I may say so, your Honor, it appeared to
8 the prosecution that a great deal of the paragraph
9 which has just been referred to is objectionable, but
10 it was thought there might be some faint relevance in
11 parts of it.

12 Your Honor will appreciate it is rather diffi-
13 cult for us to ask that certain sentences be struck out,
14 and I venture to suggest that this would draw attention
15 to the necessity for the defense themselves being more
16 careful in reviewing affidavits before they are pre-
17 sented.

18 THE PRESIDENT: Mr. Williams.

19 MR. WILLIAMS: If the Tribunal please, we
20 quite agree that the question of what the sermon con-
21 tained is quite irrelevant. And there is no necessity
22 for reading it, nor had we proposed to read it.

23 On the question of religion in general, however,
24 the Tribunal will recall the discussion on Friday last
25 with regard to religious suppression in the period

MUTO

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1 subsequent to 1940.

2 THE PRESIDENT: You may continue your argument
3 after the luncheon adjournment.

4 We will adjourn until half past one.

5 (Whereupon, at 1200, a recess was taken.)
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AFTERNOON SESSION.

The Tribunal met, pursuant to recess,
at 1330.

MARSHAL OF THE COURT: The International
Military Tribunal for the Far East is now resumed.

- - -

T O M I O M U T O, called as a witness on
behalf of the defense, resumed the stand
and testified through Japanese interpreters
as follows:

MR. G. WILLIAMS: If the Tribunal please,
at the time of the adjournment for lunch we were
discussing the relevancy of the portions of the
affidavit of the witness MUTO which were objected
to by the prosecution. As was previously brought
out, the relevancy of the religious issue in the
years during and subsequent to 1940 has been
demonstrated by reference to the record and the
testimony of the witness Pu-Yi. I refer espe-
cially to pages 4007 and 8 and the pages following
on this point --, pages of the transcript I should
add. As to the question of judicial reform and the
courts in general, the record at page 4045 dis-
closes that the question was asked:

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MUTO

1 "Q Will you state who controlled,
2 if you know, the courts of Manchuria?

3 "A All these matters were in the
4 hands of the Japanese Kwantung Army and the
5 General Affairs Bureau."

6 I should like to add that an additional
7 point which is relevant on the religious issue
8 is the fact that the witness MUTO, an official
9 of the Manchukuo Government, was allowed to
10 preach a sermon in a Christian church. This is
11 in direct refutation of the statement by Pu-Yi
12 as to the use of Japanese religions in furthering
13 their control of Manchuria and the compulsory
14 nature of Shintoism as disclosed on page 4014 of
15 the transcript.

16 As far as the part of the affidavit
17 relating to the statement of one of the Manchurian
18 industrialists is concerned, we submit that this
19 is of very definite relevance in showing the
20 purpose of the establishment of a Manchuria
21 industrial development corporation, which was one
22 of the important items in the five-year industrial
23 plans of Manchukuo on which the prosecution laid
24 emphasis. This is important not only for the
25 content of the statement -- this industrialist --

MUTO

1 but the fact that he made the statement. I
2 might add it was not our intention to read all
3 of this affidavit, particularly some of the
4 portions which, as I pointed out before lunch,
5 such as the content of the sermon by the witness,
6 are not relevant.

7 THE PRESIDENT: Pu-Yi did not say
8 Christianity was suppressed; he said that
9 Shintoism was made compulsory. That may involve
10 the question of Christianity, but I do not think
11 so. Yet, you may conform to one religion and
12 endure another.

13 MR. G. WILLIAMS: One additional
14 paragraph has been pointed out to me, sir,
15 page 4014 of the record.

16 "Q Do I understand that Manchuria,
17 which was an independent state according to
18 Japan by treaty between Japan and Manchuria and
19 other nations, and you, the Emperor of that state,
20 you were not free to practice your own religion
21 but were required to take the Shintoism of Japan
22 into Manchuria with you as Emperor?

23 "A Yes. We have no freedom, no freedom
24 of religion there."
25

MUTO

1 THE PRESIDENT: That is the answer,
2 Mr. Williams.

3 By a majority, the Court upholds the
4 objection and rejects the document pro tanto.
5 The paragraphs rejected are: 3, 3-a, 4, 6, 7, 8,
6 9, 13, 14.

7 I must make a correction. Paragraph 5
8 is admitted by a majority. So the objection is
9 upheld in part only.

10 Admitted on the usual terms as regards
11 the paragraphs I have indicated. The paragraphs
12 admitted will be 5, 10, 11, 12; also 1 and 2, and
13 paragraph 15.

14 CLERK OF THE COURT: Defense document
15 No. 957 will receive exhibit No. 2466.

16 (Whereupon, the document above
17 referred to was marked defense exhibit
18 No. 2466 and received in evidence.)

19 MR. G. WILLIAMS: I shall proceed with the
20 reading of those parts which are in evidence.

21 THE PRESIDENT: 1, 2, 5, 10, 11, 12, 15.

22 MR. G. WILLIAMS: If the Tribunal please,
23 the prosecution informs me they did not object
24 to part of paragraph 9 on page 4, as I understand
25 them.

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1 BRIGADIER QUILLIAM: May it please the
2 Tribunal, one of the objectionable features of
3 this affidavit is it is impossible to tell which
4 are paragraphs, but I assume that paragraph 9
5 finished with that one small paragraph at the
6 beginning, and that the next unnumbered place was
7 paragraph 10.

8 MR. G. WILLIAMS: (Reading)

9 "1. I, MUTO, Tomio, live at No. 157,
10 3-Chome, Tamagawa-Okuzawa-machi, Setagaya-ku,
11 Tokyo Metropolis."

12 THE PRESIDENT: You need not regard any
13 part of page 4 as included in paragraph 9. In
14 fact, 10, 11 and 12 do not appear, but we assume
15 that they are covered by pages 4 to 9, I think it
16 is, inclusive, and the first half of page 10.
17 Somebody slipped on the numbering there.

18 MR. WILLIAMS: I am informed, sir, that
19 is in accord with the original copy.

20 (Reading):

21 "2. I was graduated from the Law Depart-
22 ment of the Tokyo Imperial University in the 2nd
23 year of Showa (1927). I served as Probationary
24 Judge at Yokohama and, in the 4th year of Showa
25 (1929) was appointed Judge. After that, I was

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1 appointed Judge of the Tokyo District Court. I
2 was in my office at the Tokyo District Court until
3 the 9th year of Showa (1934), except when I was
4 in Nagano where I served for awhile. In April,
5 1934, I resigned my post and became an official of
6 the Manchukuo Government. I served as Chief of
7 the First Section of the Criminal Affairs Bureau
8 of the Judicial Department until March 1935. In
9 1935 I was transferred to Councilor of the Bureau
10 of Legislation of the Government. The Bureau of
11 Legislation was changed afterwards, by the reform
12 of government organization, into the Legislative
13 Bureau of the General Affairs Board where I was
14 in service as councilor until April of the 13th
15 year of Showa (1938). In April of the 13th year
16 of Showa (1938) I was transferred to Councilor
17 of the Information Bureau of the General Affairs
18 Board. In March of the 14th year of Showa (1939),
19 I was appointed the Director of the Information
20 Bureau and I served until April of the 18th year of
21 Showa (1943). In May of the 18th year of Showa
22 (1943) I returned to Japan to be appointed Chief
23 of the First Division of the Information Bureau
24 of the Japanese Government. I held that post until
25 November of the 19th year of Showa (1944) when I

1 was appointed Councilor of the Chokunin rank
2 attached to the Investigation Section of the
3 same bureau. I retired from office on the last
4 day of June of the 20th year of Showa (1945)."

5 Turning to page 4 --

6 THE PRESIDENT: Page 2.

7 MR. G. WILLIAMS: I beg your pardon. It
8 is page 2, paragraph 5, which was admitted:

9 "5. Independence of judicature was
10 necessary, in the first place, for preventing
11 judicature from corruption as mentioned above.
12 For this purpose, separation of judicature from
13 administration in prefectures, improvement and
14 independence of the courts had to be achieved.
15 And at the same time, excellent judicial officers
16 had to be sent to each judicial organ. Such
17 conditions created a necessity for training
18 judicial officers. As the people speak Chinese,
19 judicial work had to be done by Chinese-Manchoukuan
20 officers. Only such officers could administer
21 justice fairly. In improving and managing judicial
22 organizations, Chinese-Manchoukuan officers were
23 to take the initiative with collaboration of
24 Japanese-Manchoukuan officers. Accordingly, the
25 Judicial Department decided, the 1st year of

MUTO

DIRECT

1 Kotoku (1934) upon establishing the Jurisprudence
2 School of the Judicial Department where training
3 for fresh judges and public procurators was
4 started. Applying for admission to the school,
5 excellent students swarmed. The number of the
6 applicants was fifty times as many as that of the
7 admitted. Some 200 students who had the makings
8 as good as those of Japanese university under-
9 graduates were admitted into the school after a
10 strict examination."

11 Turning now to page 4 --

12 THE PRESIDENT: You did not read the
13 last part of paragraph 5 on page 3.

14 MR. G. WILLIAMS: I am sorry, your Honor.

15 (Reading): "They were judicial officers in
16 embryo of Manchuria. Such men, graduating every
17 year from the school, entered the courts and the
18 public procurators' offices and caused the judicial
19 organization to be improved."

20 Turning now to page 4:
21
22
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MUTO

DIRECT

1 "I frequently attended the Cabinet councils
2 and the conference of the Privy Counsellors in the
3 capacity of Councillor of the Legislative Bureau.
4 I was on duty under the Chang Ching-hui Cabinet.
5 The Premier and his Cabinet colleagues of the time
6 were statesmen who had great influence over the Man-
7 churian land and people. So that, in case that
8 any bill or important policy, especially those
9 connected with land, cereals and native capital,
10 was introduced in the Cabinet Council, furious dis-
11 cussions took place and sometimes the original bill
12 fell through due to objection of these ministers.
13 During my term of office as the Director of the
14 Information Bureau, for instance, a bill for the
15 Uncultivated Land Expropriation Law, which had
16 been submitted to the Cabinet council, was finally
17 compelled to be withdrawn owing to strong dissent-
18 ing atmosphere in the council. It had been decided
19 upon that uncultivated land alone should be pur-
20 chased for the Japanese settlers. Practically,
21 however, there was a case in which cultivated lands
22 had inseparable relation with uncultivated ones
23 (for example, a small cultivated area surrounded
24 by wide uncultivated tracts of land). The said
25 bill contained a proviso to the effect that, in

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1 such a case, even cultivated land could be bought.
2 The bill, proposed by the Minister of Agriculture
3 and Forestry, was withdrawn due to dissention of
4 the Cabinet council.

5 "When I was in office as Councillor
6 of the Legislative Bureau, the conference of the
7 Privy Councillors consisted of seven councillors
8 of Manchurian line and three councillors of Japanese
9 line, Tsan Shih-yi taking the chair. A decision
10 was made by majority of votes. As to this conference,
11 too, opinions were set forth actively by Manchurians
12 as to a bill of importance. Sometimes it was diffi-
13 cult to get a government bill through the council.
14 As far as I can remember, a question of punishing
15 parricide was at issue on the occasion of enacting
16 the penal code. The original bill which had passed
17 through the Cabinet council provided that parricide
18 should be condemned to death or life imprisonment.
19 But in the conference of Privy State Councillors,
20 it was strongly insisted that it should be punish-
21 able by death alone. Especially, the most persis-
22 tent were those Councillors who were surviving re-
23 tainers of the Ching dynasty -- for instance, Hu
24 Chih-yuan, Tseng Wen and Chen Jui-lin, etc. Accord-
25 ing to the Manchurian Councillors' view, it was

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1 against morality to condemn any murderer of his
2 parent to life imprisonment. Finally, it was
3 settled, after the discussion in a conference in
4 the Emperor's presence, that parricide, only when
5 the motive deserved compassion, might be condemned
6 to life imprisonment.

7 "While I was in office as Director of the
8 Information Bureau 'Kenkoku-Shimmyo' (the State
9 Founding Divine Mausoleum) was founded. The
10 announcement of founding 'Kenkoku-Shimmyo' was made
11 on July 15 of the 15th year of Showa (1940). On
12 July 13, an outline for the announcement was indica-
13 ted to me as a resolution of the Cabinet council.
14 I and my staff made arrangements for announcing it
15 according to this resolution. Its purport was as
16 follows:

17 "'A. The Emperor's friendly relation
18 with the Japanese Imperial Household has been en-
19 hanced and his spirit became one with that of the
20 Japanese Emperor. As a result, he has come to
21 dedicate "Kenkoku-Shimmyo" to the ancestor of the
22 Imperial Japanese Household. The Emperor and his
23 descendants are to worship it.

24 "'B. The people shall not be coerced into
25 worshipping "Kenkoku-Shimmyo". However, when the

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1 Emperor worships it and his virtue pervades the
2 people, any of the people are not prevented from
3 worshipping it if he would do so.

4 "C. "Kenkoku-Shimmyo" is, accordingly,
5 not in conflict with any existing religion at all.

6 "D. The announcement shall be made accord-
7 ing to the above principles.'

8 "In line with the aforementioned principles,
9 I, as the Director of the Information Bureau, not
10 only made the announcement but also carried out
11 subsequent policies of information.

12 "After 'Kenkoku-Shimmyo' was founded, the
13 local authorities of various Provinces, Prefectures,
14 etc., raised repeated cries for establishing its
15 detached shrines. The central authorities, however,
16 did not consent to them. It was because of the view
17 that the establishment of detached shrines was
18 unadvisable as it would give an impression of urging
19 the worship of the shrine on the people. Such being
20 the case, 'Kenkoku-Shimmyo' was quite different
21 from what is called a religion. It had nothing to
22 do with the peoples' individual life. Manchukuo,
23 from the outset of her foundation, let any religion
24 take its own course.

25 "I, being a Christian, had been an elder

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1 of the Japan Christian Church, located at Chuo-dori
2 (Central Avenue) Hsin-king, from right after the
3 arrival at my post in Manchukuo up to the time of
4 returning to Japan. Even while I was in office
5 as the Director of the Information Bureau, I often
6 occupied the pulpit during the pastor's absence.
7 That I was an elder of the church did never inter-
8 fere with my post of an official of the government.
9 After 'Kenkoku-Shimmyo' was founded, I often visited
10 as ever the Manchurians' church. There was a church
11 at Wu-malu, Hsinking, established by the Swedish
12 Presbyterian Church, which I visited and delivered
13 a sermon. I was asked by Mr. Wang Hsing-shan, elder
14 of that church, to preach in the memorial service
15 of the 60th anniversary of the establishment of the
16 church. It was in the autumn of 1941. I made a
17 sermon on the spirit of Christianity and the spirit
18 of the foundation of Manchukuo to pastors of the
19 Presbyterian Churches who had gathered from every
20 part of the country."

21 Skipping down to the last paragraph:

22 "Originally, the duties of Director of the
23 Information Bureau should have been performed by
24 any Chinese-Manchukuoan official. Although a Man-
25 churian was to occupy that post, there were some

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1 things inconvenient for him from the practical
2 point of view in Manchukuo. These were the rela-
3 tions with Information Division of Kwantung Army
4 as well as with the Information Section of S. M. R.
5 Co. The Kwantung Army had the Information Division
6 for the purpose of transacting military information
7 with which the government information had something
8 to do. Accordingly, the connection and adjustment
9 between the army's information and that of the
10 government were of great importance. As to S. M. R.,
11 there was also the Information Section which, with
12 Dairen as its centre, carried on oversea propaganda
13 and other general propaganda of Manchuria, besides
14 information regarding railway service. So that the
15 government had as well to keep in touch with the
16 Information Section of S. M. R. Co.

17 "Such being the case, the Director of the
18 Information Bureau took charge of connecting and
19 negotiating with the outside, such as the Kwan-
20 tung Army, S. M. R., etc. As to the domestic infor-
21 mation and propaganda of Manchukuo, I left them in
22 the hands of Chinese-Manchukuoan officials.

23 "I had, as one of my staff, a man of ability
24 named Chuang Kaiyung who was the head councillor.
25 He framed the information policies, drafted the

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1 Government statements, prepared the original forms
2 of the Premier's talk and thus settled everything
3 consulting with the Premier. Besides, there were
4 under him these younger set of excellent Chinese-
5 Manchukuoan officials -- for instance, Lin Sheng-
6 yuan, Su Cheng-hain, who directed and carried out
7 domestic propaganda. No one but Chinese-Manchukuoan
8 officials could make propaganda toward 40,000,000
9 Manchurian natives. In the propaganda toward the
10 people in general, Chinese-Manchukuoan councillors
11 and secretaries played the most active part; I,
12 Director of the Information bureau, being a robot
13 rather than otherwise.

14 "So far as I was concerned, there was no
15 discrimination between Chinese and Japanese Manchu-
16 kuoan officials in transacting business. A way of
17 settling and carrying out the information policies
18 was that every official, after talking and consult-
19 ing frankly with one another, decided on any plan
20 and put it into practice. The languages used in
21 such a case were Chinese or Japanese, as the case
22 might be, and sometimes a medley of both languages
23 was used in talking, discussing and disputing.
24 We became so united into one that we, in doing daily
25 work, were not conscious of any discrimination

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1 between the Chinese and Japanese. When a visitor
2 from Japan happened to call on me while we were
3 in a meeting and after seeing the scene, was asked
4 by me, "Among those who were engaged in arguments
5 here, can you distinguish between a Japanese and a
6 Manchurian?" he was sure to answer, saying, "Every
7 one looks a Japanese and looks a Chinese at the
8 same time. I don't know what's what."

9 "It was almost the same, though in different
10 degree, with other government offices as with here
11 and especially in the local government offices. The
12 Japanese and Manchurians became so completely fused
13 together that it was hard to distinguish between
14 them."
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1 We shall omit the next paragraph and skip to
2 page 12, paragraph 15:

3 "At the time when the State of Manchoukuo was
4 founded, Japanese Government officials at the age of
5 30 or so, resigning their post and becoming citizens
6 of Manchoukuo, left for their new post one after
7 another as Manchoukuoan officials. I was one of them.
8 It was because something attracted them that these
9 young men thus streamed there.

10 "A vision of establishing an ideal state and
11 of realizing an Utopia stirred the youthful blood.
12 The foundation of Manchoukuo was the materialization
13 of such an ideal. Therein existed morality and light.
14 It was based on 'Humanism'.

15 "On July 7 in 1937 when the China Incident
16 broke out, the Manchoukuoan officials cried 'Hang it!'
17 They were afraid that the China Incident would become
18 a great obstacle to the construction of Manchoukuo
19 and hinder them from realizing their ideal. 'Hang
20 it!' meant this."

21 Signed, "MUTO, Tomio."

22 If the Tribunal please, I have been requested
23 to ask one or two additional questions on the authentic-
24 ity of the Manchukuo Year Book.
25

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1 BY MR. G. WILLIAMS (Continued):

2 Q Witness, what was the source, if you know,
3 of the statistics published yearly in the Manchukuo
4 Year Book?

5 A The Manchurian Year Book -- Manchukuo Year
6 Book was compiled and published by one SHIBA, Togo
7 who annually came and visited me in Manchukuo when
8 I was chief of the Information Bureau, and thereupon
9 the Information Bureau supplied what information he
10 needed to this Mr. SHIBA. As to materials which
11 were not available in the Information Bureau, Mr. SHIBA
12 himself obtained by visiting various government offices
13 such as the Foreign Office.

14 Q Are we to understand then that these statistics
15 were compiled originally by government sources?

16 A I also presume that reference was also made
17 to figures compiled by special companies, and I regard
18 the Manchukuo Year Book as having been compiled, as
19 far as statistics were concerned, from figures obtained
20 from the Government of Manchukuo as well as special
21 companies.

22 MR. G. WILLIAMS: Cross-examine.

23 THE PRESIDEN : Brigadier Quilliam.

24 BRIGADIER QUILLIAM: May it please the Tribunal,
25 we do not wish to cross-examine.

1 THE PRESIDENT: The witness is released on
2 the usual terms.

3 (Whereupon, the witness was excused.)
4

5 MR. BLAKENEY: To counter some of the allega-
6 tions made in Section 3, Appendix A of the Indictment,
7 I offer for identification "Fundamental Principles of
8 Administration," promulgated in 1934 by the State
9 Council of Manchukuo, and offer in evidence defense
10 document No. 991-A, an excerpt therefrom, to show the
11 equalization of the tax burden of the people of
12 Manchuria.

13 THE PRESIDENT: Brigadier Quilliam.

14 BRIGADIER QUILLIAM: May it please the
15 Tribunal, we object to the admission into evidence
16 of the excerpt from this book, document 991-A. In
17 our submission it has no probative value and it is
18 also irrelevant. The document, we submit, is too
19 vague to be treated as reliable in any respect. It is
20 lacking in dates and other precise information. No
21 details are given of the tax reductions --

22 THE PRESIDENT: If we had copies we could
23 follow this argument intelligently.

24 (Whereupon, a document was distributed
25 to the Bench.)

1 THE PRESIDENT: "We now have a copy of the
2 certificate of source but we haven't copies of the
3 translation on the chapter on Economy and Industry.

4 (Whereupon, a document was distributed
5 to the Bench.)

6 THE PRESIDENT: Now we have copies of Outline
7 of Government.

8 MR. BLAKENEY: Apparently in the translation
9 certificate by inadvertence it was omitted to state
10 that this is the chapter on Economy and Industry from
11 the book Outline of Government. Such, I think, was
12 the intention.

13 BRIGADIER QUILLIAM: May it please the
14 Tribunal, the document I was objecting to is document
15 991-A, headed "Outline of Government." The absence
16 of detail, to which I have referred, in our submission
17 prevents the contents of the document having any
18 application to the issues in this case. The object
19 of the reductions referred to may well have been to
20 benefit Japanese businessmen and capital at the
21 expense of Manchukuo. It isn't possible to ascertain
22 whether this is so or not. It may well be that the
23 increases of taxation were such as to more than balance
24 the reductions but we are not given this information
25 there and, therefore, it is suggested that the document

1 has no value for the purposes of the trial.

2 THE PRESIDENT: There is a reduction of the
3 poppy cultivation taxes which should have encouraged
4 the growing of poppies.

5 Major Blakeney.

6 MR. BLAKENEY: The point mentioned by the
7 President was, of course, testified to by the witness
8 NAMBA, that is, the reduction in the tax on poppy
9 cultivation. As to Brigadier Quilliam's points,
10 first, it is true that the date does not appear on
11 this excerpt, although inspection of the original
12 shows it to be 1934. While it is true, also, that the
13 details of reduction of various taxes do not appear
14 in this document, nevertheless the total reduction
15 in the tax burden does appear. In prosecution's
16 exhibit 57, which is the report of the Lytton Commis-
17 sion, on page 106 in evidence, the suggestion is made
18 that the Manchukuo Government -- that there was no
19 indication that the Manchukuo Government would be able
20 to carry out many of its reforms. Evidence of the
21 type of this document shows whether the government
22 was able to and did carry out such reforms and it is
23 submitted that it is relevant.

24 THE PRESIDENT: Reduction of taxation is
25 not necessarily a reform. It could be if there has

1 been excessive taxation.

2 MR. BALKENEY: Reduction of taxation is one
3 of the reforms characterized by the Lytton Commission
4 Report in the paragraph at the top of page 106 as
5 desirable.

6 THE PRESIDENT: Well, if you are endeavor-
7 ing to answer the Lytton Commission Report, by a
8 majority we admit it on the usual terms.

9 CLERK OF THE COURT: Defense document No. 991
10 will be given exhibit No. 2467 for identification
11 only, and the excerpt therefrom, bearing defense
12 document No. 991-A will receive exhibit No. 2467A.
13 Defense document 991(A to D), being the certificate
14 of source for those excerpts, will be given exhibit
15 No. 2467B.

16 (Whereupon, defense document No. 991
17 was marked defense exhibit 2467 for identifica-
18 tion; defense document 991-A was marked defense
19 exhibit No. 2467A and received in evidence;
20 defense document No. 991 (A to D) was marked
21 defense exhibit No. 2467B and received in
22 evidence.)

23 MR. BLAKENEY: (Reading)

24 "Outline of Government.

25 "Revision, Abolition and Adjustment of

Internal Taxes.

1 "The following taxes, as listed below, have
2 been reduced, exempted or revised in accordance with
3 the policy to revise and abolish various types of taxes
4 and to effect the unification and adjustment of tax
5 rates with a view to lightening and nesting equitable
6 thereby the tax burden. This has been done from the
7 standpoint of social and industrial policy with the
8 increase in revenues, which is reflective of the
9 advancement of public well-being, and in parallel with
10 the development of business enterprises resulting
11 therefrom and because of the improvement in the revenue
12 situation. The reduced burden in terms of money has
13 reached Yen 23,768,000 (unit of 1,000).
14

15 "1. Reductional unification of the rate of
16 business taxes in Mukden Province.

17 "2. Reduction of the rate of the Cigarette
18 Excise in Jehol Province.

19 "3. Reduction by (it seems to be) 5070 of
20 the Poppy Cultivation Tax in Jehol Province.

21 "4. Abolition of double Taxation on produc-
22 tion and livestock breeding.

23 "5. Abolition of Certification Fee.

24 "6. Abolition of the transit tax and surtax
25 from the cargotax and livestock transit tax in Jehol.

1 "7. Abolition of the miscellaneous monthly
2 tobacco tax in Harbin Special Municipality.

3 "8. Reductional adjustment of the grain
4 production tax and abolition of the grain market tax
5 and grain measurement tax in Kirin Province.

6 "9. Exemption of family tax on salt and
7 staple food and fine for violation of anti-opium regu-
8 lations under the old system of former province of
9 Jehol.

10 "10. Exemption of land tax arrears and its
11 surtax in Jehol Province and Kingan-fen.

12 "11. Reduction of the rate of business taxes
13 in Heilungkiang Province.

14 "12. Reduction of the rate of the salt gabelle.

15 "As in China, the price of salt is the highest
16 in the world and greatly oppresses the lives of the
17 people. The salt price prevailing in Mukden and in
18 Heilungking being different and it being a matter of
19 urgency to reduce the burden and make equitable the
20 distribution thereof; measures were taken, in consider-
21 ation of the actual financial condition, to reduce,
22 the salt gabelle rate by 30 mo per 1 tang on March 1,
23 1934 and to effect a general reduction of prices on
24 monopoly goods in Heilungkiang Province. It is the
25 government's policy to bring about a fundamental

1 reduction of the tax burden in accordance with the
2 increase in the internal tax and other general revenue.
3 In the meantime the revenue from the salt gabelle and
4 salt monopoly shall be fixed at Yen 25,000,000 and
5 anything over and above that amount will be applied
6 to the reduction of the salt price.

7 "13. Establishment of cigarette excise
8 inspection certificate.

9 "14. Issuance of revenue stamp for paying
10 tunsui excise.

11 "(TN: tunsui is an excise instituted in
12 place of certain miscellaneous taxes.)

13 "15. Enforcement of three kinds of excises
14 in Kirin and Jehol Provinces.

15 "16. Enactment of a temporary grain
16 business tax law.

17 "Furthermore, for the purpose of conducting
18 a fundamental investigation concerning the improvement
19 of the administration and adjustments of the taxes
20 various investigations have been made from July 1933
21 to February this year into the social and economic
22 conditions and financial affairs in localities under the
23 jurisdiction of forty-two Tax Offices, the government
24 is endeavoring, to and thus contribute to the fair
25 distribution of the tax burden."

1 In order to show that the government policy
2 on the salt monopoly, for example, was designed
3 to decrease the price to the populace of this necessary
4 commodity, I offer in evidence defense document No.
5 991-C, another excerpt from the "Fundamental Principles
6 of Administration of Manchukuo."

7 THE PRESIDENT: Admitted on the usual terms.

8 CLERK OF THE COURT: Defense document No.
9 991-C will receive exhibit No. 2467-C.

10 (Whereupon, the document above re-
11 ferred to was marked defense exhibit No.
12 2467-C and received in evidence.)

13 MR. BLAKENEY: I point out that this
14 document relates also on the opium question. (Reading):

15 "3. Monopolies

16 "1. Reduction of the Price of Salt

17 "a. In view of the fact that the price of
18 salt in the Chientao district is the highest in this
19 country and the great extent of smuggling that is
20 being carried on because of the common frontier, a
21 price reduction of from Yen 2.20 to Yen 3.55 per
22 one tang of salt was carried out in September, 1933,
23 for the purpose firstly to lighten the burden of
24 the people and secondly to prevent smuggling.

25 "b. As the first step in the execution of

1 this policy, reduction was made from March 1 this
2 year in the price of salt of the transportation
3 office under the Kirin Salt Heilungkiang jurisdictions.
4 Combined with the reduction of 3 mo per one fen in
5 the salt tax rate a decrease of Yen 1,100,000
6 in the monopoly profit was effected.

7 "2. Carrying out of the opium monopoly.

8 "The monopoly system of opium was adopted
9 to carry out the opium policy. Its object is to
10 prevent illicit traffic in opium and to control and
11 reduce poppy cultivation, thereby exterminating
12 the bad opium smoking habit.

13 "With the completion of the monopoly system
14 and the perfection of the health. It was further
15 decided the government intends to attain this
16 object. Moreover the policy has been laid down
17 not to use the profit from the opium monopoly to
18 cover general expenses, but to devote it to cover
19 the expenses of control, remedy, education and
20 other purposes necessary in carrying out the opium
21 policy."

22 I now offer in evidence defense document
23 No. 991-D, an excerpt from "Fundamental Principles
24 of Administration" to show the government plan to
25 improve communications and effect reductions in

1 postal rates.

2 THE PRESIDENT: Brigadier Quilliam.

3 BRIGADIER QUILLIAM: May it please the
4 Tribunal, the prosecution object to the introduction
5 of this document. We submit that it is irrelevant
6 in exactly the same way as other documents that
7 were tendered this morning and rejected. We submit,
8 respectfully, that the Tribunal cannot be in any
9 way concerned with the question whether the air mail
10 rate was raised from 3 fen to 5 fen or any other
11 similar matter.

12 MR. BLAKENEY: Improved communications
13 is another of the points concerning which the Lytton
14 Commission, approving the improvement, doubted whether
15 it could be carried out. The document now under
16 consideration shows what the proposal was for reform.
17 Later documents will show the extent to which the
18 reforms were realized.

19 THE PRESIDENT: The objection is upheld
20 and the document rejected.

21 MR. BLAKENEY: I offer for identification
22 "Conditions of State Finance," published in 1937
23 by the Bureau of Statistics of the General Affairs
24 Board of Manchukuo, and offer in evidence defense
25 document No. 992, an excerpt therefrom, to show the

1 expenditures for national defense and maintenance
2 of order under the new regime as compared with those
3 under Chang-Tso-Lin.

4 THE PRESIDENT: Admitted on the usual terms.

5 CLERK OF THE COURT: Defense document No.
6 992 will receive exhibit No. 2468 for identification
7 only and the excerpt therefrom, bearing the same
8 document number, will receive exhibit No. 2468-A.

9 (Whereupon, the document above re-
10 ferred to was marked defense exhibit No.
11 2468 for identification; the excerpt there-
12 from being marked defense exhibit No. 2468-A
13 and received in evidence.)

14 MR. BLAKENEY: I do not propose to read the
15 document in its entirety, but wish merely to invite
16 the attention of the Tribunal to the third item
17 indicating this expenditure, that is, for national
18 defense and maintenance of order, to be 34 9/10%,
19 as compared with 80% for this purpose under the old
20 regime, as shown on page 31 of the Lytton Commission
21 Report.
22

23 I further illustration of this point, I
24 offer in evidence defense documents 993 and 994,
25 excerpts from the same publication, "Conditions of
State Finance," for the years 1938 and 1939.

1 THE PRESIDENT: Admitted on the usual terms.

2 CLERK OF THE COURT: Defense document 993
3 will be given exhibit No. 2469 for identification
4 only and the excerpt therefrom will be given exhibit
5 No. 2469-A. Defense document No. 994 will be given
6 exhibit No. 2470 for identification only and the
7 excerpt therefrom, bearing the same document number,
8 will be given exhibit No. 2470-A.

9 (Whereupon, the documents above re-
10 ferred to were marked defense exhibit Nos.
11 2469 and 2470 for identification; the excerpts
12 therefrom being marked defense exhibit Nos.
13 2469-A and 2470-A respectively and received
14 in evidence.)

15 MR. BLAKENEY: In exhibit No. 2469-A, I
16 invite the Tribunal's attention to items 3 and 4
17 showing that the defense and maintenance of order
18 expenditures were 25.4% and 4.1% respectively,
19 making a total of 29.5%. In exhibit No. 2470-A,
20 I invite attention to item 3 showing a further
21 decrease in defense expenditures to 28.3% of the
22 total. That is all I wish to refer to in those
23 documents.
24

25 THE PRESIDENT: The figures there show parts
of a thousand but not as parts of a hundred. It

1 won't make much difference, I suppose.

2 MR. BLAKENEY: As an illustration of the
3 attempts to improve the lot of the farmers and to
4 bolster the agricultural economy, I offer for
5 identification the "Manchoukuo Empire Annual Report
6 No. III," published in June 1938 by the General
7 Affairs Bureau of Manchukuo, and offer in evidence
8 an excerpt therefrom, defense document No. 995.

9 THE PRESIDENT: Brigadier Quilliam.

10 BRIGADIER QUILLIAM: May it please the
11 Tribunal, the prosecution object to this document
12 being admitted into evidence. I do not wish to
13 repeat the contentions that I submitted to the Tribunal
14 before. It is sufficient to say it was on all fours
15 with the documents that have been submitted with
16 reference to such matters as sanitation and medical
17 matters in Manchukuo. The document merely gives
18 some particulars of the development of cooperative
19 banking societies in Manchukuo, an item which may
20 have interest somewhere, but certainly of no interest
21 to this Tribunal.

22 MR. BLAKENEY: Again, the witness Pu-Yi gave
23 considerable detailed testimony concerning the
24 manner in which money was, as he said, taken from
25 the native farmers and lent to the Japanese but not

1 to natives.

2 THE PRESIDENT: Does it tend to show
3 otherwise?

4 MR. BLAKENEY: Yes, sir, I think it clearly
5 has such a tendency.

6 THE PRESIDENT: It is admitted for what it
7 is worth, by a majority, on the usual terms.

8 CLERK OF THE COURT: Defense document No.
9 995 will receive exhibit No. 2471 for identification
10 and the excerpt therefrom, bearing the same document
11 number, will receive exhibit No. 2471-A.

12 (Whereupon, the document above re-
13 ferred to was marked defense exhibit No.
14 2471 for identification; the excerpt there-
15 from being marked defense exhibit No. 2471-A
16 and received in evidence.)

17 THE PRESIDENT: We will recess for fifteen
18 minutes.

19 (Whereupon, at 1445, a recess was
20 taken until 1500, after which the proceed-
21 ings were resumed as follows:)
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1 MARSHAL OF THE COURT: The International
2 Military Tribunal for the Far East is now resumed.

3 THE PRESIDENT: Major Blakeney.

4 MR. BLAKENEY: Reading from exhibit 2471-A:

5 "In consideration of the lack of sound
6 banking facilities in agricultural villages, the
7 Provincial Government of Mukden planned in the first
8 year of Tatun (1932) to organize cooperative banking
9 societies within the districts of its jurisdiction.
10 First of all, on March 27, the 2nd year of Tatun,
11 the Mukden Cooperative Banking Society was insti-
12 tuted, and afterwards, on May 5th of the same year,
13 the Fuhsien Cooperative Banking Society. These two
14 societies gave very satisfactory results and showed
15 sure evidence that the cooperative system is suit-
16 able to the conditions of our country. Since 1933,
17 the Department of Finance has taken direct charge
18 of supervising and guiding the societies, and their
19 number has increased yearly, with 11 cooperative
20 banking societies in the 2nd year of Tatun, 39 in
21 the 1st year and, 32 in the 2nd year of Kante, reach-
22 ing, by the end of December, the 2nd year of Kante,
23 the total number of 82. For establishing the coop-
24 erative societies, every prefecture was made a unit;
25 and 42 per cent out of 161 prefectures and 30 Mongol-

1 ian villages throughout Manchukuo have their own
2 cooperative banking societies.

3 "These financial cooperations are to culti-
4 vate the spirit of self-government and self-help,
5 among farmers on one side, and, on the other hand,
6 make effort to facilitate financing operations in
7 rural villages which have been neglected for many
8 years, thus doing their part in making rural inhab-
9 itants recognize the benefit of the 'Kingly Way'
10 of government.

11 "From page 2, 'Itemized Loans of the
12 Cooperative Banking Societies,' I read only the
13 grand total of 6,334,596 yuan, of which, loans for
14 Agricultural funds, 5,665,975 yuan.

15 For a comprehensive and statistical report
16 on the numerous improvements effected in Manchukuo,
17 I read from prosecution exhibit No. 450, page 3,
18 beginning with the second paragraph: "The follow-
19 ing figures will eloquently tell the story of the
20 growth of national life, cultural and other phases."
21 I begin with the item on railway mileage:

22 Railway mileage, 1932, 4,000 kilometres;
23 1941, 10,500 kilometres;

24 Motor roads -- I omit the years -- 3,000
25 kilometres; 60,000 kilometres.

1 Railway passengers carried, 8,000,000;
2 83,600,000;
3 Post offices, 1,600; 2,100;
4 Post office employees, 3,200; 12,000;
5 Telegraph offices, 350; 790;
6 Telephone subscribers, 35,000; 100,000;
7 Radio subscribers, 3,000; 400,000;
8 Electric lamps, 1,200,000; 3,300,000;
9 Waterworks subscribers, 80,000; 200,000;
10 Primary schools, 9,000; 21,500;
11 Primary school pupils, 500,000; 1,800,000;
12 Universities, 1; 16;
13 University students, 300; 3,500;
14 Opium addicts and anti-opium hospitals
15 have been read;
16 Postal savings accounts, 10,600; 1,430,000;
17 Postal savings per account, 19 yen or yuan;
18 89 yen or yuan;
19 Motion picture theatres, 30; 150;
20 Admissions for ditto, 500,000; 4,000,000;
21 Salt consumption, 3,800,000 piculs;
22 7,500,000 piculs;
23 Sugar consumption, 1,350,000 piculs;
24 2,000,000 piculs;
25 Bandits, 300,000; 1,300.

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1 To refute the charges of planning for
2 aggressive warfare, made in Counts 6 to 17 of the
3 Indictment, by showing that the Five-Year Plan in
4 Manchukuo had its origin in business circles of the
5 South Manchurian Railway rather than being a plan
6 of the military, the defense calls as its next
7 witness OKUMURA, Shinji, whose testimony is em-
8 bedded in defense document No. 1160 and who will be
9 examined by Mr. Williams.

- - -

10 S H I N J I O K U M U R A, called as a witness
11 on behalf of the defense, being first duly
12 sworn, testified through Japanese interpreters
13 as follows:
14

DIRECT EXAMINATION

15 BY MR. G. WILLIAMS:

16 Q Will the witness tell the Tribunal his
17 name and residence?
18

19 A My name, OKUMURA, Shinji; 108 Funayama,
20 Sujinami-ku, Tokyo.

21 MR. G. WILLIAMS: May the witness be handed
22 defense document No. 1160?

23 (Whereupon, a document was handed
24 to the witness.)

25 Q Will you examine that document and tell

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1 the Tribunal whether or not it is your affidavit?

2 A This is my affidavit.

3 Q Are the contents true and correct?

4 A Yes.

5 MR. G. WILLIAMS: Defense offers in evi-
6 dence document No. 1160, the affidavit of the wit-
7 ness OKUMURA.

8 THE PRESIDENT: Admitted on the usual
9 terms.

10 CLERK OF THE COURT: Defense document No.
11 1160 will receive exhibit No. 2472.

12 (Whereupon, the document above
13 referred to was marked defense exhibit No.
14 2472 and received in evidence.)
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1 MR. G. WILLIAMS: (Reading).

2 "I, OKUMURA, Shinji, was born in Kanagawa
3 Prefecture in 1894 and graduated from the Law Depart-
4 ment of the Imperial University of Tokyo in 1920. I
5 immediately secured a position with the South Man-
6 churian Railway Company. In January 1932 I was ap-
7 pointed the chief of the Second Division of the
8 Economic Research Commission of the said company, and
9 in September 1936 I assumed the post of vice-chairman
10 of the said Commission and also vice-director of the
11 Industrial Division. In December 1937 I was selected
12 as director of the Manchuria Industrial Development
13 Corporation and resigned from the South Manchuria Rail-
14 way Company. In May 1942 I was appointed the director
15 of the North China Iron Manufacturing Company, Ltd,
16 and resigned from the Manchurian Industrial Develop-
17 ment Corporation. In June 1944 I was again appointed
18 the director of the said Corporation and remained in
19 that post up to the time of the termination of war.

20 "Towards developing railways, the South Man-
21 churian Railway Company has taken a great interest in
22 the investigation of the economic condition of Man-
23 churia since the beginning of its establishment, and
24 the Research Section was established in its head office.
25 As is well known to the public, various plans for

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1 industrial development were studied with that office
2 as its center and the South Manchurian Railway Com-
3 pany made great efforts to contribute to the develop-
4 ment in the various fields of mining, engineering,
5 agriculture and stock-farming with the funds and tech-
6 niques that it possessed.

7 "In order primarily to meet the great change
8 in objective circumstances in Manchuria caused by the
9 outbreak of the Manchurian Incident, the South Manchu-
10 rian Railway Company in January 1932 newly organized
11 the Economic Research Commission a synthetic large re-
12 search organ to make investigations, conduct research
13 and draw up plans systematically on the matters re-
14 lating to industries, traffic, communications, finance
15 and trade which were necessary for the development of
16 Manchurian economy. I belonged then to the said Com-
17 mission and was in charge of the industrial division.

18 "On the other hand, in order to obtain suffi-
19 cient basic materials for general industrial develop-
20 ment, the new government of Manchoukuo established an
21 organ which was called the Temporary Industrial Re-
22 search Bureau in 1934 and started the fundamental in-
23 vestigations into the industry and economy of Manchuria
24 with the three-year plan.

25 "Investigating staffs were despatched, not only

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1 to those districts along the railway lines, but also
2 to the interior regions, and investigations into the
3 various fields of mining, engineering, agriculture and
4 forestry were instituted, for example, the site of the
5 hydroelectric plant on the Sungari was discovered on
6 the occasion of those investigations.

7 "Thus, with the result of the investigations
8 achieved by both the temporary Industrial Research
9 Bureau of Manchoukuo and by the Economic Research Com-
10 mission of the South Manchurian Railway, fairly com-
11 plete investigations of the resources of all Manchuria
12 were accomplished. Investigation materials which had
13 been deemed insufficient as a result of the investi-
14 gations by South Manchurian Railway alone were gra-
15 dually completed. In the summer of 1936 some general
16 discussions were held among the officials of the Man-
17 choukuo Government and South Manchurian Railway Company
18 of establishing by their co-operation a fundamental
19 long-term plan for the industrial development of the
20 new state. At that time the Russian second Five-Year
21 Plan was in progress, the information from U.S.S.R. on
22 the success of its plan was spread and the interest
23 was increasingly aroused among officials of both Man-
24 choukuo and South Manchurian Railway Company. This
25 to some extent had led to the germ of such an idea of

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1 long-range planning.

2 "The Kwantung Army agreed to this idea and
3 rendered its good offices, going between the Govern-
4 ment and the South Manchurian Railway Company, whose
5 understanding might not have been quite sufficient
6 of each other in the past, and the Kwantung Army made
7 effort to effect a smooth progress of the joint plan-
8 ning. Thus, several competent persons for each dif-
9 ferent branch were selected from both the Government
10 and the South Manchurian Railway Company, and these
11 men began an overall study of tentative production
12 goals of raw materials. On this occasion I was one
13 of the persons selected to take charge of the division
14 of industries generally. Then, as the aforementioned
15 studies came to a conclusion for the time being, those
16 who participated in the studies, together with other
17 people concerned of the Kwantung Army, the Government
18 and the South Manchurian Railway Company held a con-
19 ference in October 1936 for the purpose of reporting
20 their studies and discussing the industrial development
21 problem, as a result of which an outline of a very rough
22 plan for industrial development was drawn up. Based on
23 this plan, a further study was made for another two
24 months on more detailed items, and in November of the
25 same year a concrete plan was obtained. This is the

1 so-called first Five-Year Plan of industrial develop-
2 ment.

3 "Then the Manchoukuo Government, for the
4 purpose of obtaining necessary funds and industrial
5 materials for the realization of this plan, sent several
6 who were connected with the drawing up of this plan
7 and made them explain it to the Japanese Government
8 and request its understanding and assistance. I came
9 to Japan as one of those dispatched.

10 "At the middle of December 1936 we met the
11 officials concerned of each Japanese Government depart-
12 ment at the Manchurian Affairs Board and after the
13 explanation of the plan requested their understanding
14 and help. Among these officials there were of course
15 some from the Ministry of War. Besides this, we also
16 were not at all informed of the fact that there would
17 be another plan of like nature in the War Ministry.
18 However, the attitude of the Japanese Government was
19 very conservative at that time and it merely listened
20 to what the Manchurian side had explained and hoped.
21 But the Manchoukuo Government started to execute the
22 plan according to the policy already set out, making
23 1937 as its first year.

24 "The object of the Five-Year Plan of indus-
25 trial development is to aim at the coordinated develop-

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1 ment of industries and communications in Manchuria,
2 and to lay the foundation for economic progress in
3 the future.

4 "It was thought to make a rapid progress of
5 industrialization in Manchuria and to bring her
6 economic condition to the world's level, in view of
7 the fact that so long as Manchuria was left in a pri-
8 mitive colonial condition as in the past, neither in-
9 crease of her national economy nor promotion of people's
10 life could be expected.

11 "Speaking of the contents of the Five-Year
12 Plan, emphasis was laid on the development and en-
13 largement of basic industries in Manchuria, and equal
14 stress was laid upon the development of agriculture,
15 live-stock breeding, transportation and communications.
16 Within the mining and engineering branch of the plan
17 items for the expansion of munition and airplane in-
18 dustries were included but these items occupied only
19 a small portion of the whole plan. Speaking on the
20 capital outlay of the plan, total capital for the plan
21 was 2,500,000,000 yuan, while the capital for munitions
22 (including tanks and airplane industries) was
23 130,000,000 yuan, being only five per cent of the total.

24 "It was, of course, considered that this de-
25 velopment plan would contribute toward the national

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1 defense, but at the same time it was believed as
2 necessary a step to improve the people's life.

3 "Soon after the above plan was put into
4 practice the China Incident broke out, but this was
5 entirely beyond our anticipation and an uneasiness
6 was felt in securing the necessary funds and materials
7 in fulfilling the plan and we who were concerned in
8 the plan were greatly annoyed and wished for speedy
9 settlement.

10 "Because such a long term plan for the de-
11 velopment of basic industries presupposes a state of
12 peace which enables a state to devote all of its power
13 for carrying out such a coordinated plan, and in laying
14 down this plan we had never dreamed a condition of war
15 might happen in the near future. Therefore, the out-
16 break of the North China Incident imposed a great
17 obstacle in carrying out the Five-Year Plan. For in-
18 stance, development of Manchurian industries had to
19 depend chiefly upon coolie labor immigrated from North
20 China for the necessary labor. This is just one in-
21 stance where prosecution of the plan was hindered by
22 the outbreak of the Incident. However, the situation
23 grew worse, contrary to our expectation.

24 "In December I assumed the post of director
25 of Manchurian Heavy Industry Development Company, and

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1 at the beginning of 1938 the Government of Manchoukuo
2 had made a modification concerning the Five-Year Plan
3 and requested the cooperation of the company. Accord-
4 ing to my knowledge, at that time Japan felt the
5 shortage of materials caused by the unexpected ex-
6 pansion of the Incident. Under the international sit-
7 uation then prevailing it gradually became difficult
8 for Japan and Manchoukuo to import materials from
9 abroad," and I assume it means the importance was
10 keenly felt of reinforcing of the "supply of basic
11 material by developing the resources in Japan and
12 Manchuria as much as possible so as to stabilize the
13 foundations of economy and national defense. Accord-
14 ingly, the Japanese side also desired to increase pro-
15 duction of basic materials, such as coal, iron and
16 electric power in Manchuria, and she gradually in-
17 creased her effort to supply funds and materials.

18 "Besides this desire, along with the further
19 research into resources, such items as iron, coal and
20 hydroelectricity had been discovered in Topentao Dis-
21 trict of Manchuria. Incorporating the development of
22 these resources into the plan further modified the Five-
23 Year Plan and enlarged the production goal".

24 Signed "OKUMURA, Shinji".
25

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THE PRESIDENT: Brigadier Quilliam.

1 BRIGADIER QUILLIAM: May it please the
2 Tribunal, the prosecution does not wish to cross-
3 examine.

4 THE PRESIDENT: The witness is at liberty
5 on the usual terms.

6 (Whereupon, the witness was ex-
7 cused.)

8 - - -

9 MR. BLAKENEY: The witnesses OKADA and
10 OKUMURA have testified as to the cause and effect
11 relationship between the second Russian Five-Year
12 Plan and the Five-Year Plan in Manchukuo. As
13 further evidence of this parallel and in justifi-
14 cation of the Manchurian Five-Year Plan as being in
15 part a measure of self-defense, I tender for identi-
16 fication the book, Socialism Victorious, a compila-
17 tion of speeches by Soviet leaders and resolutions
18 of the 17th Congress of the Communist Party of the
19 Soviet Union in 1934, and offer in evidence defense
20 document No. 537, an excerpt therefrom.

21 THE PRESIDENT: Brigadier Quilliam.

22 BRIGADIER QUILLIAM: May it please the
23 Tribunal, the prosecution objects to the presenta-
24 tion of this document. We say that this document,
25

1 which is merely an excerpt from a book of speeches,
2 does not carry out the purpose for which it has
3 been tendered, as stated by my learned friend.

4 The speech contained in the document is a
5 review of the Comintern's activities for fifteen
6 years. It contains certain references to world
7 proletarian revolution and international communism.
8 But, it is submitted that neither these references
9 nor anything else in the document has any applica-
10 tion to the issues in the case. The making of plans
11 of any kind in Manchukuo or the waging of war by
12 Japan in Manchuria, China or other countries, cannot
13 be justified by reference to a speech of this sort.
14 The fact that Russia had a five year plan can have
15 no relation to the five year plan in Manchukuo with
16 which the Tribunal is concerned. It is submitted
17 that the document is irrelevant and also has no
18 probative value.

19 THE PRESIDENT: How is it relevant, Major?

20 MR. BLAKENEY: The Indictment specifically
21 charges that Japan exploited Manchuria to provide
22 funds and munitions for aggression, Section III of
23 Appendix A. Certainly, if Japan found that her
24 neighbor was arming against her and so announced
25 her intentions, she would, but naturally, arm in

self defense.

1 It has been noted that part of this docu-
2 ment which we proposed reading, after first speak-
3 ing of Soviet power, continues to say that the
4 united front of the proletariat, under the leader-
5 ship of the Communist Party, in union with the
6 U.S.S.R. and Soviet China, constitutes an invincible
7 force against capitalistic countries.

8 The succeeding document, not yet tendered,
9 of course, will show details of arming by the
10 U.S.S.R. at the Far Eastern area immediately adja-
11 cent to Japan. To me this seems very relevant on
12 the basic question here, was Japan committing
13 aggression or was she acting in self defense?

14 THE PRESIDENT: The objection is upheld
15 and the document rejected.
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1 MR. BLAKENEY: For the sake of the record,
2 and because I don't understand how far the ruling
3 goes, I will continue with my tender of the succeeding
4 document, No. 538, which is offered to show the
5 emphasis on the development of heavy industries and
6 armament under the Soviet Five-Year Plan, and parti-
7 cularly the rapid industrialization of the far eastern
8 regions of Russia.

9 THE PRESIDENT: Brigadier Quilliam.

10 BRIGADIER QUILLIAM: May it please the
11 Tribunal, the prosecution submit that the document
12 should be rejected on the same ground that applied to
13 the previous document. It is submitted that the par-
14 ticulars of industrial progress made in the speech of
15 Mr. Molotov contained in the document can have no
16 application to Japan any more than to any other country
17 in the world. We respectfully submit that this document
18 is on all fours of the previous document.

19 MR. BLAKENEY: The fact that the Soviet
20 threat if any existed against all other nations in
21 the world does not in any way destroy the validity of
22 that threat as a reason for Japan's acting in self-
23 defense. And it is submitted that the contents of
24 the document now under consideration are by no means
25 fully or fairly represented by the characterization

1 of the prosecution.

2 THE PRESIDENT: Isn't this about increasing
3 armament production?

4 MR. BLAKENEY: In addition to the details of
5 heavy industry production in general, we can find,
6 on page 7, second paragraph, a reference to the
7 production of tanks, guns, machine guns, airplanes and
8 other things, details not disclosed, and the statement
9 that if necessary the entirety of U.S.S.R. industry
10 will be mobilized to arm the army.

11 THE PRESIDENT: By a majority, the Court
12 upholds the objection except as regards paragraphs 1
13 and 2 on page 7; that is, 1 and 2 completed paragraphs,
14 commencing "This tempo has provided..." and ending
15 "...we have fulfilled. (Applause.)" To that extent,
16 the document is admitted on the usual terms.

17 CLERK OF THE COURT: Defense document
18 No. 537 will receive exhibit No.--

19 MR. BLAKENEY: 538.

20 CLERK OF THE COURT: Defense document No. 537
21 will receive exhibit No. 2473 for identification only,
22 and the excerpt therefrom, being defense document 538,
23 will receive exhibit No. 2473-A.

24 (Whereupon, defense document No. 537
25 was marked defense exhibit No. 2473 for

1 identification; and defense document No. 538
2 was marked defense exhibit No. 2473-A, two
3 paragraphs of which were received in evidence.)

4 MR. BLAKENEY: I shall read the two paragraphs
5 admitted into evidence.

6 "This tempo has provided the solution for the
7 problem of the defence of the country. I shall not
8 speak of defence, I shall not quote any data; I shall
9 only say that no comparison can be drawn between 1930
10 and this year. I could tell you how many tanks we
11 produce, how many guns, how many machine guns, aero-
12 planes, and everything else -- but I shall only say
13 that last year we supplied our artillery incomparably
14 better than in 1932.

15 "And if these pigs' snouts force us to mobilize
16 our whole industry to arm our Red Army, I think we shall
17 fulfil this task best of all the tasks that we have
18 fulfilled. (Applause.)"

19 In explanation of the Five-Year Plan as a
20 broad measure designed to build a national economy meet-
21 ing all needs, rather than being preparation for wars
22 of aggression as alleged by the prosecution, I offer
23 in evidence defense document No. 558, a speech by
24 KISHI, Shinsuke, former vice-head of the Industrial
25 Department of Manchukuo.

1 THE PRESIDENT: Admitted on the usual terms.

2 CLERK OF THE COURT: Defense document No. 558
3 will receive exhibit No. 2474.

4 (Whereupon, the document above
5 referred to was marked defense exhibit
6 No. 2474 and received in evidence.)

7 MR. BLAKENEY: Before reading, I might say that
8 this document is also tendered to show that there was
9 no connection between the Five-Year Plan and the China
10 Incident, which came as a complete surprise to Man-
11 chukuo, and to refute the charge of an over-all
12 conspiracy contained in the Indictment, particularly
13 Count 19.

14 "Lecture by KISHI, Shinsuke.

15 "Delivered on 26 November 1938 at a meeting
16 held at Osaka of Japan, Manchuria and China Economic
17 Discussion Board.

18 "As it is already well known, seven years
19 have passed since the establishment of Manchukuo,
20 and during this period the establishment of peaceful
21 order that constitutes the first requisite for its
22 construction and the sweeping away of numbers of old
23 evils existing from the time of the former regime have
24 almost been accomplished, and as the fundamental
25 investigation necessary for the industrial development

1 has also been so thoroughly achieved, we are now
2 confronted with the problem of speedily exploiting its
3 extremely rich resources in the most reasonable way.
4 From this standpoint we instituted the so-called
5 '5-year program of developing Manchurian industry' in
6 the fall of the year before last. At the time, too,
7 I took this proposition back to Japan and upon the
8 consent of the authorities concerned asked their
9 assistances necessary for its execution. Thus nearly
10 two years have already passed since we started on the
11 execution of the first year's part of the five-year
12 program. You have perhaps been acquainted with a
13 general idea through newspapers and other information
14 of what has actually been done during the first year,
15 but in the course of that year, when half a year had
16 scarcely passed, the North China Incident broke out,
17 causing present conditions as you see now. This is
18 a condition we did not expect at all when we first insti-
19 tuted the 5-year program, and we, the officials
20 engaged in the execution of the plan, had to face many
21 unexpected difficulties. Fortunately, however, thanks
22 to the assistance and cooperation of various circles,
23 we have been successful, as a whole, concerning the
24 actual results of the first year in such economic
25 fields as electricity, iron, coal mining and other

1 industries which are especially the most important of
2 the 5-year program. As to other items, we carried on
3 our work under the plan of reducing the time allotted
4 to them, in view of its future, and we managed to
5 obtain results far better than expected at first.
6 Again as you know, this 5-year program for industries
7 was so difficult to carry out that a close examination
8 of many branches of it showed that in many points we
9 did not get what we had expected.

10 "Especially in the field of agriculture,
11 owing to climatic and other conditions of last year we
12 managed to do our planting, sowing, etc." -- sowing, I
13 suppose that is -- "almost as we planned, but the
14 harvest was considerably below our expectation. In
15 the lines of industry, the coal mining, for instance,
16 seems to have met with many difficulties in technique
17 and expenditure. However, when we look back on the
18 actual results of the past year and take into consi-
19 deration what has since been developed, the aim of this
20 five-year plan becomes too small to determine the
21 future course of Manchurian industry, although the plan
22 was thought by many to be considerably large at the
23 time of its formation, and although the plan has been
24 in execution for only one year.
25

"From the present standpoint our aim must not

1 be so low. Unless it is raised much higher, it will
2 not meet with the demand of the new age. Such being
3 the opinion of both the Japanese and Manchurians
4 concerned, we formed the so-called 'revised five-year
5 plan' early this year and are endeavouring to carry it
6 out at present for fortunately the natural resources
7 of Manchuria and the field for exploitation since then
8 have showed that such a further extension was not
9 impossible. I shall not go into the details of the plan
10 here, but for the purpose of giving you a general idea
11 of the program this much may be said that the scale
12 at first determined upon in the line of capital was from
13 2,500,000,000 yen to 3,000,000,000 yen when all the
14 items were considered, whereas in the revised on the
15 sum total needed when the program is carried out as
16 planned, will amount to 5 to 6 billions, or about twice
17 as much. Of course this amount is also considered to be
18 due to the rise in the prices of raw materials and other
19 commodities since the time of planning, but in brief,
20 the enlarged scale is confined to field of industry,
21 agricultural and animal products being excluded. Thus,
22 in some cases expenditure has since been doubled while
23 in others such as coal and liquid fuel that require
24 electricity for their motive power, in addition to the
25 automobile and aeroplane industries necessary from

1 the defense point of view the expenditure necessary
2 for the plan has been raised to 5 to 6 billions from
3 3 to 3.5 billions of yen. Since then, we have been
4 endeavouring to carry the five-year program into
5 effect. Often when we have met with difficult problems
6 that have arisen in this connection since then in
7 carrying out our special ideas in overcoming the diffi-
8 culties originally expected at first, we used to inform
9 to influential circles in Japan of our problems and
10 seek their assistance. Fortunately, it is now possible
11 to give figures for a part of the program from this
12 year or it gives us great pleasure to report to you
13 matters for the current year figures for which have
14 already appeared."

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1 Next I read from prosecution exhibit No. 445
2 entitled, "The Result of the First Period Five-Year
3 Administration, an Outline of the Second Period Con-
4 struction Plan" beginning with the second paragraph
5 on page 1 and omitting all portions read by the prose-
6 cution.

7 "Now, in this case, it may be of interest to
8 look back the results of administration of those five
9 years, inspecting how the policies promulgated and
10 promised by the government at the beginning of the founda-
11 tion have been put in operation, in other words in
12 what degree the proclamation of the establishment of
13 Manchukuo and outline of economical construction have
14 been brought into effect.

15 "I. Policies promised in the Proclamation
16 of the Establishment. These are as follows:

17 "A. The government must conform to the real
18 will of the people.

19 "B. There shall be no discrimination with
20 respect either to race or creed.

21 "C. Dark administration shall be abolished.

22 "E. Revision of laws.

23 "F. Promotion of local autonomy.

24 "G. Able men shall be collected at large and
25 men of talent shall be appointed.

1 "H. The business shall be encouraged and natural
2 resources shall be developed.

3 "I. Unification of money market.

4 "J. Police and soldiers shall be trained and
5 the calamity of bandit shall be regulated.

6 "K. The education shall be spread and proper
7 courtesy shall be observed. Thus the final purpose
8 was that 'statecraft should be founded upon the prin-
9 ciple of Tao or the Way and Tao should be of Tien or
10 Heaven, and it was designed to give enlightenment to
11 the people who live within the state and maintain the
12 honor of perpetuating the peace of Eastern Asia, thus
13 setting a model example of good government to the
14 world.'

15 "A. The government must conform to the real
16 will of the people. Since the foundation of the new
17 State, the government has designed to eliminate the
18 evils of tyrannical administration and to bring into
19 practice an original Wangtao administration in con-
20 formity of government and people which is the reflection
21 of harmony and cooperation among the races and the
22 real will of the people. On July 25, 1932, the Manchu-
23 kuo Concordia Association was established and discharges
24 the duty of transmitting of the Emperor's wishes to the
25 populace and to present the popular will to the superior

1 as an organization of spread of spirit and virtue of
2 the people. It is just the prefectural, provincial
3 or central allied conference which is held every year.
4 In July, 1946, the Concordia Association decisively
5 reorganized its construction, on September 18 of the
6 same year elucidated the fundamental ideals of the
7 association, and commended its positive activity as a
8 political practical body."

9 I assume that is a misprint for 1936.

10 "B. There shall be no discrimination, with
11 respect to either race or creed. In the Article 3 of
12 Law of Protection of People's Rights promulgated as
13 the No. 2 of ordinance of the Department of Education
14 on April 1, 1932, it was regulated that 'All people of
15 Manchukuo, regardless of the race, shall be under the
16 equal guardianship,' and all people resident in Manchu-
17 kuo are under the equal treatment and guardianship. In
18 the old regime, Japanese nationals had extraterritoriality
19 in Manchuria, but in June, 1936, treaty between Japan
20 and Manchukuo concerning the residence of Japanese
21 subjects, taxation, and so forth, in Manchukuo was
22 signed to abolish the right of extraterritoriality and
23 to adjust and transfer the administrative rights over
24 the South Manchuria Railway Zone and from July 1, 1936,
25 Japanese subjects shall agree the application of the

1 laws concerning taxation and further in the near future
2 the right of extraterritoriality will be completely
3 abolished and Japanese nationals, as a leading element
4 of five races, will be subject to the laws and ordi-
5 nances of Manchukuo as other races, and work there;
6 consequently this has been a good chance to induce to
7 the withdrawal of the superior position of the third
8 nationals who have enjoyed the right of extraterritor-
9 iality formerly.

10 "As you see in the Proclamation of the Estab-
11 lishment of Manchukuo the fact that 'There shall be
12 no discrimination among these people who now reside
13 within the territory of the new state with respect to
14 race and creed, including the races of the Hans,
15 Manchus, Mongols, Japanese and Koreans; nationals of
16 other countries may upon application as permanent resi-
17 dents, acquire equal treatment with others and their
18 rights shall be guaranteed thereby' is really put into
19 effect. Consequently there is no discrimination among
20 the people in every occupation, to say nothing of the
21 officials of Manchukuo. At this point, there exists
22 no discriminative treatment of races as in the old regime.

23 "C. Abolition of dark administration. On
24 April 1, 1932, Law of Protection of Human Rights was
25 promulgated and it was regulated that 'The Emperor who

1 reigns over the Manchou Empire except the case of war-
2 time or emergency incident, shall guarantee the freedom
3 and rights of the people as well as manage state af-
4 fairs with justice, in accordance with the provisions
5 of the present Law;' thus rights for 'freedom of
6 body,' 'fortune' and 'religion' have been established
7 and the foundation of a constitutional state has been
8 firmly laid down. Consequently the power of life and
9 death which was formerly grasped by the militarists
10 was gone and contract system which was attended by
11 evils was abrogated. Furthermore Board of Supervision
12 was established and the Department of Supervision has
13 charge of the supervision of unlawfulness and Depart-
14 ment of Audit has charge of inspection of accounts and
15 holds in check illegality and unlawfulness. Thus the
16 bright administration is put into effect.

17 "D. Revision of laws. Since the foundation
18 of the new State, special attention was paid to the
19 reform of judicial system in order to enforce the with-
20 drawal of the rights of extraterritoriality and out-
21 lines of rearrangement of legislation, improvement of
22 judicial organs, firm establishment of judicial police
23 and procurator's system and betterment of penal system
24 have been determined, and the government authorities
25 took charge of putting into effect one after another.

1 On the other hand, the improvement of judicial officers
2 has been designed, and superior Japanese judicial af-
3 fairs have been already appointed with excellent re-
4 sult. (Judicial officers I take that to be.) The
5 results of the establishment of a judicial school under
6 the Department of Justice as a training and education
7 organization of judicial officers of Manchurian blood
8 as well as a system of sending promising Manchu members
9 to Japan to study jurisprudence are remarkably good.

10 "The government endeavored also to protect
11 evils distorted by the pressure of administrative
12 power to the judicial power, to shake off the yoke of
13 administrative power in order to keep the augustness
14 of laws, and at the same time to reform the evil custom
15 of disregarding the judicial officers, to safeguard
16 the livelihood of the judicial officers, but to scoop
17 out their evils if any without excuse in view of mak-
18 ing the populace to place confidence in both laws and
19 judicial officers.

20 "In addition to this, as a means of reform
21 of penalty system, improvement of both personnel and
22 material equipment was designed and also prison admin-
23 istration training institution and penal officers
24 training institution have been established. The govern-
25 ment has engaged to formulate such important laws as

1 Civil Law, Commercial Law, Criminal Law, Code of Civil
2 Procedure, Code of Criminal Procedure to complete
3 within three years from 1935. Criminal Law was pro-
4 mulgated on January 7 of this year and is to be en-
5 forced from March 1 on. Code of Criminal Procedure
6 will be promulgated in near future, and Civil Law,
7 Commercial Law, and Code of Civil Procedure are ex-
8 pected to be promulgated till July of this year.

9 "An act governing the Organization of Courts
10 was promulgated on January 4, 1936, and regulations
11 relative to the application of the same law was promul-
12 gated on May 21 and came into force on the 1st of
13 July.

14 "E. Carrying out of system of local self-
15 government. In company with the firm establishment
16 of central administrative organs, effort was also
17 directed to the firm establishment of local adminis-
18 trative system; based upon the system of centraliza-
19 tion of power as its fundamental policy, the government
20 organization and other laws and ordinances have been
21 promulgated or some of them are at revision one after
22 another. That is to say.

23 "1. Reform of provincial system. In December,
24 1934, the provincial system was decisively reformed,
25 and the system of former province, i.e. the independent

1 province was abolished and it was made a province
2 of administrative district of the State; further for the
3 sake of application of the new law, local expense system
4 was regulated which put on quite a new aspect.

5 "2. Enactment of Special Municipality System
6 and Common Municipality System.

7 "3. Abolition of Special District in North
8 Manchuria (January 1, 1936.)

9 "4. Firm establishment of prefectural system.
10 The system of independence of each bureau of prefectural
11 office was abolished, all bureaus were controlled
12 unitedly, contract system of prefecture was abolished
13 and justice of finance is expected.

14 "5. Preparation for the firm establishment of
15 system of town and village. As the less local admin-
16 istrative organ than prefecture, the system of town
17 and village is under investigation at present. Definite
18 opinion will be found in near future.

19 "6. Enforcement of Pao-chia system. (Put into
20 effect from January 1934). Pao-chia system was es-
21 tablished with a view of keeping friendship with
22 neighbors as well as with an object of auxiliary organ-
23 ization of police; in the present time when the local
24 system has not completed, it plays an important part
25 as a foundation of local administrative system."

1 THE PRESIDENT: Have you much more to read,
2 Major?

3 MR. BLAKENEY: Yes, sir, there is quite a
4 lot.

5 THE PRESIDENT: When the defense opened its
6 case I was told that it would take about two and a half
7 months to finish the phases; later I was told it would
8 take three and a half months. I would like to know
9 what the latest estimate is, if you can consider it,
10 and give us an answer tomorrow morning.

11 We will adjourn until half past nine tomorrow
12 morning.

13 (Whereupon, at 1600, an adjournment
14 was taken until Tuesday, 22 April 1947, at
15 0930.)

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